

**31st  
Annual Report  
2017-18**



**spenta**<sup>®</sup>

**SPENTA INTERNATIONAL LIMITED**



## SPENTA INTERNATIONAL LIMITED

### BOARD OF DIRECTORS:

- Mr. Sanjay Gadodia (DIN-00203433)** : Chairman, Whole Time Director cum Chief Executive Officer
- Mr. Danny Hansotia (DIN-00203497)** : Managing Director cum Chief Financial Officer
- Mrs. Anita Koti (DIN- 08069112)** : Additional Independent Non-Executive Director (Appointed w.e.f. 16th February, 2018)
- Ms. Sunita Misri (DIN-06926975)** : Independent Non-Executive Director
- Mr. Gaurav Samdaria (DIN - 06797334)** : Independent Non-Executive Director (Resigned w.e.f. 22nd November, 2017)

### BANKERS:

DCB Bank Limited  
Nariman Point Branch, Mumbai - 400 021.

### AUDITORS:

**Rajeev Shah & CO., Mumbai.**  
**Chartered Accountants**  
3 & 4, Behramji Mansion, 1st Floor, 18,  
Homji Street, Sir P.M. Road, Fort, Mumbai- 400001  
E-mail: rajeevshahandco@eth.net

### SECRETARIAL AUDITORS:

HS Associates, Company Secretaries, Mumbai

### COMPANY SECRETARY & COMPLIANCE OFFICER:

Ms. Nutan Bidye (w.e.f. 5th May, 2018)

### REGISTRAR & SHARE TRANSFER AGENT:

**Link Intime India Private Limited**  
Link Intime India Private Limited,  
C-101, 247 Park,  
L.B.S. Marg, Vikhroli (W),  
Mumbai – 400 083  
Tel: - 022-49186270 Fax: - 022-49186060  
Email id:- rnt.helpdesk@linkintime.co.in  
Website:-www.linkintime.co.in

### LISTING OF EQUITY SHARES:

**BSE Limited,**  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

### REGISTERED OFFICE & FACTORY:

Plot No. 13 to 16,  
Dewan Industrial Estate,  
Village Navali, District Thane,  
Palghar (West) - 401 404.  
Tel No: 91-(2525)-254932  
Fax: 91-(2525)-254932  
Email-contact@spentasocks.com  
Website: www.spentasocks.com  
CIN - L28129MH1986PLC040482

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## SPENTA INTERNATIONAL LIMITED

### NOTICE OF AGM

Notice is hereby given that the **Thirty First Annual General Meeting** (the "Meeting") of **Spenta International Limited** ("the Company") will be held on **Thursday, September 27, 2018** at **11.30 a.m.** at the Registered Office of the Company situated at **Plot No. 13 to 16, Dewan Industrial Estate, Village Navali, Dist. Thane, Palghar (West) – 401 404** to transact the following businesses:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2018 including Audited Balance Sheet as at 31st March, 2018 and the statement of Profit & Loss for the Year Ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To declare Final dividend on Equity Shares for the Financial Year 2017-2018.

#### SPECIAL BUSINESS:

3. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Danny Hansotia (DIN: 00203497) as Managing Director of the Company, for a period of 3 (Three) years, from 1st December, 2017 to 30th November, 2020 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting, as approved by the Nomination & Remuneration Committee in its meeting held on November 17, 2018, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Shareholders, if so required, in accordance with the provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any of the director(s) of the Company be and is hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and writings as may be necessary, proper or expedient to give effect to this resolution."

4. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Sanjay Gadodia (DIN: 00203433) as Whole- Time Director of the Company, for a period of 3 (Three) years, from 1st July, 2018 to 30th June, 2021 and payment of remuneration for the aforesaid period on the terms and conditions which are set out in Explanatory Statement annexed to the notice convening this meeting, as approved by the Nomination & Remuneration Committee in its meeting held on May 25, 2018, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, subject to ceiling as specified in Schedule V of the Companies Act, 2013 from time to time and subject to the approval of the Shareholders, if so required, in accordance with the provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** any of the director(s) of the Company be and is hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and writings as may be necessary, proper or expedient to give effect to this resolution."

5. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Articles of the Company, Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment (s) thereof, for the time being in force), Mrs. Anita Koti (DIN- 08069112) who was appointed as an Additional Director of the Company by the Board of Director with effect from February 16, 2018 and who shall hold office until the date of the date of the AGM, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member proposing candidature for the office of director in terms of section 160 of the companies Act, 2013, be and is hereby appointed as an Independent Director on the Board of the Company to hold office for five consecutive years up to February 15, 2023.

**RESOLVED FURTHER THAT** any of the director(s) of the Company be and is hereby severally authorized to do all such acts, deeds and things and to sign all such forms, documents and writings as may be necessary, proper or expedient to give effect to this resolution."

#### Registered Office:

Plot No. 13 to 16, Dewan Industrial Estate,  
Village Navali, District Thane, Palghar (West) - 401 404

**DATE: 14th AUGUST, 2018**

**PLACE: PALGHAR**

#### BY ORDER OF THE BOARD

Sd/-

**NUTAN BIDYE**

**COMPANY SECRETARY**

**ACS MEM. NO. 55068**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF.** A proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the Commencement of the meeting. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as Proxy for more than 50 members and holding in the aggregate not more than 10 percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than 10 percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four hours before the time fixed for the commencement of the Annual General Meeting and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.
3. The Register of Members and Share Transfer Register shall remain closed from Thursday September 20, 2018 to Thursday September 27, 2018 (Both days inclusive.)
4. Explanatory statement under section 102 of the Companies Act, 2013 ("Act") which sets out details relating to Special Business is annexed hereto.
5. Final Dividend of Rs. 1.50 per share has been recommended by the Board of Directors for the year ended 31st March, 2018 and subject to the approval of the shareholders at the ensuing Annual General Meeting is proposed to be paid on and from 27th September, 2018.
6. Members are requested to inform the Company's Registrars and Share Transfer Agents Viz. M/s Link Intime India Private Limited, regarding changes, if any in their registered address with the PIN code number.
7. In order to ensure safety against fraudulent encashment of dividend warrants, members holding shares in physical form are requested to furnish to the Company or Company's R&T Agents, M/s. Link Intime India Private Limited, bank account details which will be printed on the dividend warrants.
8. A Member may avail of the facility of nomination by nominating in the prescribed "NOMINATION FORM", a person to whom his/her shares in the Company shall vest in the event of his/her death.
9. Members are requested to intimate to the Company, queries if any, regarding the accounts at least 10 days before the Annual General meeting to enable the Management to keep the information ready at the Meeting. The queries may be addressed to company's registered office (email: [cs@spentasocks.com](mailto:cs@spentasocks.com)) Member are requested to bring their copies of Annual Reports to the Meeting.
10. Members holding shares in electronic form are advised that address/bank details as furnished to the Company by the respective Depositories viz NSDL and CDSL, will be printed on the dividend warrants. Members are requested to inform the concerned Depository participant of any change in address, dividend mandate, Etc.
11. In terms of section 125 Companies Act, 2013, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to Investor Education and Protection Fund. Members who have not encashed their dividend warrants are requested to write to the Registrars and Share Transfer Agents. The details of dividend unclaimed are uploaded on the Company's website at [www.spentasocks.com](http://www.spentasocks.com) for shareholder's information.
12. Electronic copy of the Annual Report for 2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their mail address, physical copies of the Annual Report for 2018 is being sent in the permitted mode.
13. Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are





## SPENTA INTERNATIONAL LIMITED

registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Nomination Form, Attendance Slip and Proxy Form is being sent in the permitted mode.

14. Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report for 2018 will also be available on the Company's website [www.spentasocks.com](http://www.spentasocks.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at Palghar for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [cs@spentasocks.com](mailto:cs@spentasocks.com).
15. Voting through electronic mean
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below.

### PROCEDURE / INSTRUCTIONS FOR E-VOTING ARE AS UNDER:

- I. **The Voting period begins on Monday, the 24th September, 2018 at 09.00 a.m. and ends on Wednesday, 26th September, 2018 at 05.00 p.m. During this period shareholder of the Company holding shares either in physical form or in dematerialized form, as on cut-off date (record date) of Wednesday 19th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

**The "cut-off date" means a date not earlier than 7 (seven) days before the date of General Meeting for determining the eligibility to vote by electronic means or in the General Meeting.**

#### II. In case of members receiving e-mail:

- a. Open e-mail
- b. Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- c. Now click on "Shareholders" tab
- d. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- g. If you are a first time user follow the steps given below:

|  | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|--|--|
| PAN*   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN Field.</li> </ul> |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d).   |

h. After entering these details appropriately, click on “SUBMIT” tab.

i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

k. Click on relevant **EVSN 180813027** of Spenta International Limited on which you choose to vote.

l. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

m. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

n. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

o. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

p. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

q. If Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

r. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- In case you have any queries regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**In case of members receiving the physical copy:**

Please follow all steps from sl. no. b to sl. no. r above to cast vote.

**Other Instructions**

- The voting period begins on Monday, the 24th September, 2018 at 09.00 a.m and ends on Wednesday, 26th September 2018 at 05.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday 19th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. The “cut-off date” means a date not earlier than 7 (seven) days before the date of general meeting for determining to vote by electronic means or in the general meeting.
- In case of any queries you may refer the Frequently Asked Questions (FAQ’s) for shareholders and e-voting user manual for shareholders available at the Downloads Section of [www.evoting.CDSL.com](http://www.evoting.CDSL.com)
- If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of Wednesday 19th September, 2018.
- Mr. Prasad Chavan, Partner of HS Associates, Practicing Company Secretaries (Membership No. ACS No.49921) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent Manner.
- The scrutinizer shall within a period of not exceeding 3 (Three) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizers report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The results of the e-voting along with the scrutinizers report shall be placed in the Company’s website [www.spentasocks.com](http://www.spentasocks.com) and on the website of CDSL within two working days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchanges where the shares of the Company are listed.
- Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Prasad Chavan, Partner of HS Associates, Practicing Company Secretary, at the Registered office of the Company not later than **Wednesday, 26th September, 2018 (5.00 pm IST)**
- Ballot Form received after this date will be treated invalid.



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- A member can opt only for one mode of voting i.e either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
16. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company had decided to send Annual Report through electronic mode. However, if required the copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting.

### The Members are requested to:

- i. Intimate to the registrars / Company, changes if any, in their registered address at an early date along with the pin code number;
- ii. Quote Registered Folio / Client ID & DP ID in all their correspondence;
- iii. Dematerialize the shares held in physical form at the earliest as trading in the Equity Shares of the Company shall be only in dematerialized form for all the investors.

### Registered Office:

Plot No. 13 to 16,  
Dewan Industrial Estate,  
Village Navali, District Thane,  
Palghar (West) - 401 404

**DATE: 14TH AUGUST, 2018**

**PLACE: PALGHAR**

**BY ORDER OF THE BOARD**

**Sd/-  
NUTAN BIDYE  
COMPANY SECRETARY  
ACS MEM. NO. 55068**

**EXPLANATORY STATEMENT**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

As required by Section 102 of the Companies Act, 2013 ("Act") the following explanatory statement sets out all material facts relating to the business mentioned under item No. 3 to 5 of the accompanying Notice:

**ITEM No. 3**

Mr. Danny Hansotia (DIN: 00203497) had been re-appointed as Managing Director of the Company on December 1, 2014 for a period of 3 years. The term of office of Mr. Danny Hansotia, Managing Director of the Company was due to expire on 30th November, 2017. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Danny Hansotia as the Managing Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on November 17, 2017 has, subject to the approval of the Shareholders, re-appointed Mr. Danny Hansotia, for a further period of 3 years from the expiry of his term subject to provisions of the relevant and applicable provisions of the Act, the remuneration will comprise of salary, perquisites, other benefits & allowances as mentioned below.

- I. **SALARY:** Rs. 2,50,000/- p.m. (Rupees Two Lakhs Fifty Thousand Only) & the Board of Directors be authorized to determine the salary and grant such increases from time to time within the limits specified as per the Act.

**II. MINIMUM REMUNERATION:**

In the absence of inadequacy of profits in any financial year, (a) subject to the approval of the necessary authorities, the remuneration payable to Mr. Danny F. Hansotia by way of salary and perquisites shall be the maximum amount permitted as per Schedule V, as amended from time to time or as approved by the shareholders in the General Meeting.

**III. PERQUISITES:**

Mr. Danny F. Hansotia as a Managing Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: as per the rules of the Company, payable in accordance with the approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) Children's education allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) Holiday passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e) Leave travel concession: Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.

- IV). Salary and perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- V). The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- VI). The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VII). The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in the Act, or any amendment hereafter in that regard.
1. The Managing Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment however he shall be entitled to reimbursement of expenses in connection with the business of the company.
  2. Subject to the provisions of the Act, Director shall not while he continues to hold office of the Managing Director be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of the Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Managing Director if he ceases to hold office of Director for any cause.
  3. The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whosoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company and the Managing Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.

Mr. Danny F. Hansotia is interested in the resolution set out at item No. 3 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

#### **ITEM NO. 4**

Mr. Sanjay Gadodia (DIN: 00203433) had been re-appointed as Whole Time Director of the Company on July 1, 2013 for a period of 3 years. The term of office of Mr. Sanjay Gadodia, Whole Time Director of the Company was due to expire on June 30, 2018. The present proposal is to seek the Shareholders' approval for the re-appointment of Mr. Sanjay Gadodia as the Whole Time Director in terms of the applicable provisions of the Companies Act, 2013. The Board of Directors of the Company (the 'Board'), at its meeting held on May 25, 2018 has, subject to the approval of the Shareholders, re-appointed Mr. Sanjay Gadodia for a further period of 3 years from the expiry of his term subject to provisions of the relevant and applicable provisions of the Act, the remuneration will comprise of salary, perquisites, other benefits & allowances as mentioned below.

**I. SALARY:** Rs. 2,50,000/- p.m. (Rupees Two Lakhs Fifty Thousand Only) & the Board of Directors be authorized to determine the salary and grant such increases from time to time within the limits specified as per the Act.

## II. MINIMUM REMUNERATION

In the absence of inadequacy of profits in any financial year, (a) subject to the approval of the necessary authorities, the remuneration payable to Mr. Sanjay Gadodia by way of salary and perquisites shall be the maximum amount permitted as per Schedule V, as amended from time to time or as approved by the shareholders in the General Meeting.

## III. PERQUISITES:

Mr. Sanjay Gadodia as a Whole- Time Director will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.

- a) Contribution to provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity: as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) Children's education allowance: In case of children studying in or outside India, an allowance limited to a maximum of Rs. 12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) Holiday passage for children studying outside India/family staying abroad: Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad India if they are not residing in India with the managerial person.
- e) Leave travel concession: Return passage for self and family in accordance with the rules specified by the Company where it is proposed that the leave be spent in home country instead of anywhere in India.
- IV). Salary and perquisites specified herein shall be payable to the Whole-Time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- V). The Whole-Time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- VI). The Whole-Time Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- VII). The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in the Act, or any amendment hereafter in that regard.
1. The Whole-Time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or committee thereof from the date of his appointment however he shall be entitled to reimbursement of expenses in connection with the business of the company.
2. Subject to the provisions of the Act, Director shall not while he continues to hold office of the Whole-Time Director be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of the Director or in fixing the number of Directors to retire, but he shall ipso facto and immediately cease to be the Whole-Time Director if he ceases to hold office of Director for any cause.





## SPENTA INTERNATIONAL LIMITED

3. The Whole-Time Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person whatsoever or make any use whatever for his own or for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the company and the Whole-Time Director shall during the continuance of his employment hereunder also use his best endeavors to prevent any other person from doing so.

Mr. Sanjay Gadodia is interested in the resolution set out at item No. 4 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

### ITEM NO. 5

The Board of Directors at its meeting held on February 14, 2018 have appointed Dr. Anita Koti w.e.f. February 16, 2018 as an Additional Independent Non-Executive Director in terms of Section 161 of the Companies Act, 2013 who holds office upto the date of the Annual General Meeting of the Company. The Company has received notice from a member proposing Mrs. Anita Koti as a candidate for the office of Director of the Company in terms of Section 160 of Companies Act, 2013.

Pursuant to Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 read with Rules framed thereunder, Mrs. Anita Koti is proposed to be appointed as an Independent Director of the Company for five consecutive years till February 15, 2023.

The Company has also received declarations from Mrs. Anita Koti that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act.

In the opinion of the Board, Mrs. Anita Koti fulfill the conditions for appointment as Independent Directors as specified in the Companies Act 2013, and is independent of the management,

Brief resume of Mrs. Anita Prashant Koti is 43 Years of age and is a Dentist from Mumbai University, Nair Hospital Dental College practicing since 1998 at Palghar. Considering her adequate experience in various fields, the Board recommends confirmation of the Appointment.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

#### Registered Office:

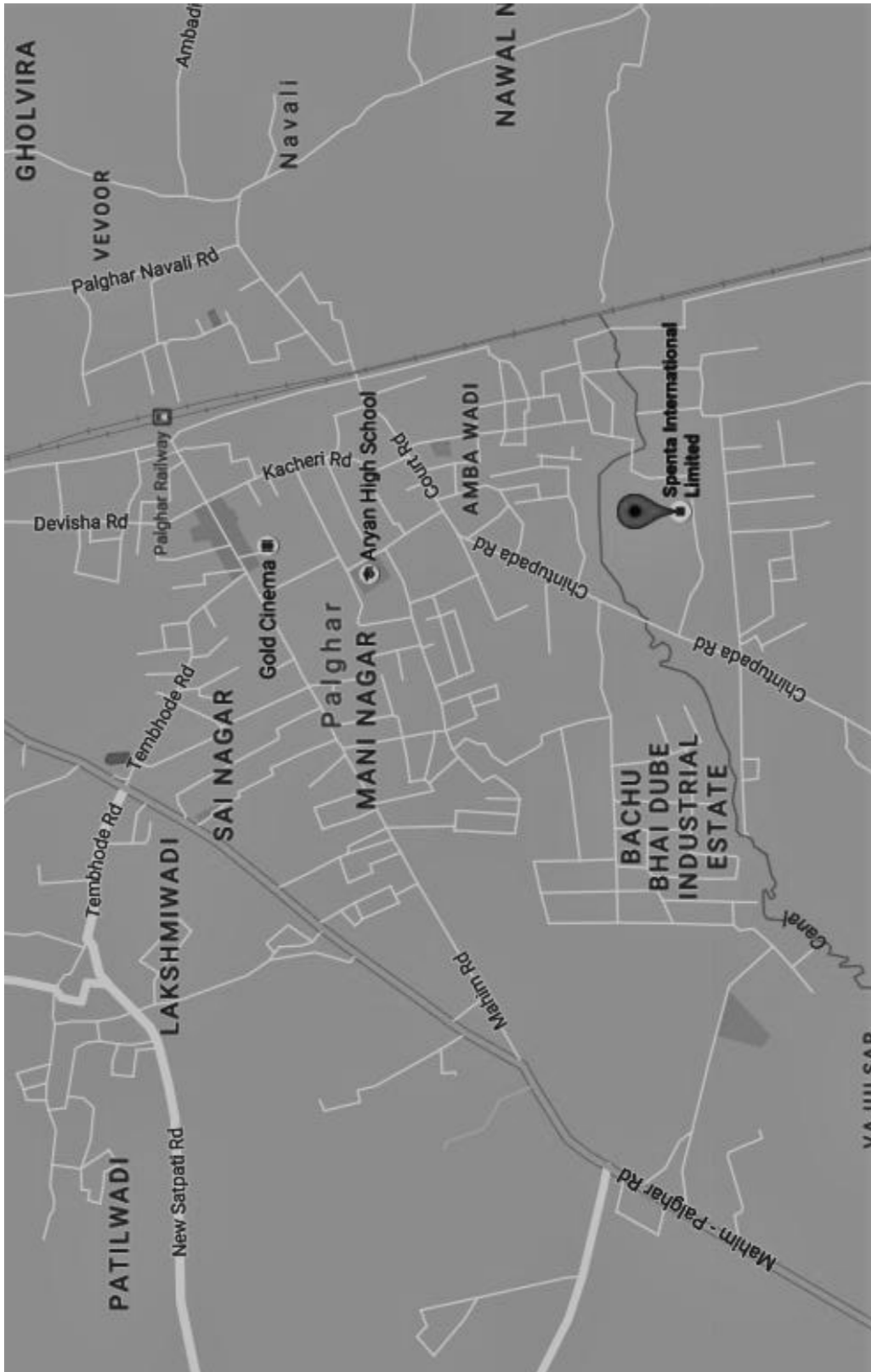
Plot No. 13 to 16,  
Dewan Industrial Estate,  
Village Navali, District Thane,  
Palghar (West) - 401 404

DATE: 14TH AUGUST, 2018

PLACE: PALGHAR

BY ORDER OF THE BOARD

Sd/-  
NUTAN BIDYE  
COMPANY SECRETARY  
ACS MEM. NO. 55068



Landmark: Near Income Tax Office  
Distance from Palghar Station: 1.8 Kilometers

**DIRECTORS' REPORT**

To,  
The Members,  
**SPENTA INTERNATIONAL LIMITED.**

Your Directors have great pleasure in presenting 31st ANNUAL REPORT along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31st March, 2018.

**1. FINANCIAL RESULTS:**

| Particulars  | (Rs. in Lacs)      |                    |
|--|--------------------|--------------------|
|  | Year ended 2017-18 | Year ended 2016-17 |
| Total Income (including Other Income)                | 3762.17            | 3631.88            |
| Gross Profit (before Interest, Depreciation and tax) | 548.41             | 484.14             |
| Less: Interest                                       | 159.10             | 139.67             |
| : Depreciation                                       | 131.82             | 95.15              |
| : Provision for taxation                             |                    |                    |
| - Current  | 54.00              | 65.00              |
| - Deferred   | 19.16              | 15.28              |
| Net Profit after tax                                 | 184.33             | 169.04             |
| Balance brought forward from previous year's a/c     | 2166.53            | 2027.49            |
| Amount available for appropriation                   | <b>2166.53</b>     | <b>2027.49</b>     |
| <b><u>Transfer &amp; Appropriations:</u></b>         |                    |                    |
| Proposed Dividend                                    | 41.46              | 35.93              |
| DDT on proposed Equity Dividend                      | 8.44               | 7.31               |
| Capital redemption reserve on buy back of shares     | NIL                | NIL                |
| Balance carried to balance sheet                     | 2166.53            | 2027.49            |
|  | <b>2166.53</b>     | <b>2027.49</b>     |

**2. DIVIDEND AND TRANSFER TO RESERVES:**

Your Directors are pleased to recommend a final Dividend of Rs. 1.50 per equity share of the face value of Rs. 10/- each for the approval of the shareholders.

The dividend, if approved by the shareholders at the forthcoming Annual General Meeting would absorb 41.46 lakhs, excluding Rs. 8.44 lakhs as tax on dividend. The dividend will be free of tax in the hands of the shareholders of the Company.

No amount is being transferred to reserves during the year under review.

**3. FUTURE PROSPECTS :**

Company is in the process of importing 30 machines in the period April'18 to August'18 which will enhance the production capacity by around 15% and help to better margin gains and reduce the dependence of our Company on outsourcing.

**4. THE CHANGE IN THE NATURE OF BUSINESS, IF ANY;**

There is no change in the nature of business of the Company.

**5. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**SPENTA INTERNATIONAL LIMITED****6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Gaurav Samdaria Independent Non - Executive Director of the Company resigned from the company w.e.f. 22nd November, 2017. The Board places on record his sincere appreciation of the efforts and dedicated service during his tenure as Independent Director.

Mrs. Anita Koti is appointed as an Additional Independent Non- Executive Director w.e.f. 16th February, 2018.

**7. NUMBER OF BOARD MEETINGS:**

During the financial year, the Board had met Seven times on 5th May 2017, 26th June 2017, 10th August 2017, 14th September 2017, 17th November 2017, 14th February, 2018 and 23rd March 2018.

**8. DECLARATION OF INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(7) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

**9. MEETING OF INDEPENDENT DIRECTORS:**

The Independent Directors met once during the year on 14th February, 2018 to review the working of the Company, its Board and Committees. The meeting decided on the process of evaluation of the Board and Audit Committee. It designed the questionnaire on limited parameters and completed the evaluation of the Board by Non-Executive Directors and of the Audit committee by other members of the Board. The same was compiled by Independent authority and informed to the members.

**10. DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors hereby confirms:

- i) That in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit or Loss of the Company for that period.
- iii) That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the Annual accounts on a going concern basis.
- v) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating.

**11. SUBSIDIARIES AND ASSOCIATE COMPANY'S:**

As on 31st March, 2018, Company has no subsidiaries and associate companies.

**12. DEPOSITS:**

Your Company did not accept any deposits from the public during the year. There are no deposits which have not been claimed by depositors or paid by the company after the date on which the deposit became due for repayment or renewal, as

**SPENTA INTERNATIONAL LIMITED**

the case may be, according to the contract with the depositors & there are no total amounts due to the depositors & remaining unclaimed or unpaid.

**13. INTERNAL AUDITOR**

As per section 138 of the Companies Act, 2013, the Company has appointed M/s. B. G. Dolar & Co., internal auditors for the year to 2018-2019 to conduct the internal audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

**14. STATUTORY AUDITORS:**

M/s. Rajeev Shah & Co., Chartered Accountants having firm registration No. 108346W, Statutory Auditors of the Company, who were appointed 30th Annual General Meeting held on 25th September, 2017 for 5 years and to hold office till the conclusion of the Annual General Meeting to be held in 2022. Further, they have confirmed that they are not disqualified for re-appointment as auditors of the Company under the Companies Act, 2013, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

Auditors' report is self-explanatory and therefore does not require further comments and explanation.

**15. STATUTORY AUDITOR'S REPORT AND QUALIFICATION:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. Rajeev Shah & Co., Statutory Auditors, in their report. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

**16. COST AUDITORS:**

As per Section 148 read with Companies (Audit & Auditors) Rules, applicable to cost auditors, the company was not liable to appoint Cost auditors for the financial year 2018-19.

**17. SECRETARIAL AUDITOR & REPORT**

The Board has appointed HS Associates, Practicing Company Secretaries as the Secretarial Auditor of the Company for the financial year 2018-2019. Also annexed herewith secretarial Audit report (MR-3), in Annexure-1 as provided by M/s. HS Associates, for the Secretarial Audit conducted by them for the period 2017-18 under review the company in process to appoint the Independent Director to comply with Constitution of Nomination and Remuneration Committee.

Qualification: Composition of Nomination and Remuneration Committee is not in Compliance with the provisions of the Section 178 of the Companies Act, 2013.

Directors Comment: The Company is in process to appoint the Independent Director to comply with Constitution of Nomination and Remuneration Committee.

**18. EXTRACT OF ANNUAL RETURN:**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure-2 and is attached to this Report.

The Annual Return as per section 92(3) of the Act will be available on the company's website: [www.spentasocks.com](http://www.spentasocks.com) within 60 days from the Annual General Meeting.

**19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as Annexure 3.

**SPENTA INTERNATIONAL LIMITED**

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at [www.spentasocks.com](http://www.spentasocks.com).

**20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of investment made under Section 186 of the Companies Act, 2013 have been disclosed in the financial statements in Schedule 13 of the Balance Sheet.

**21. CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE:**

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, is required to be given pursuant to provision of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is annexed hereto marked Annexure-4 and forms part of this report.

**22. CORPORATE GOVERNANCE REPORT**

The company falls under the criteria 15(2) (a) of the Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 as the Paid-up capital of the company was below Rs. 10 Crores and net worth was below Rs. 25 Crores as on the last day of the previous financial year.

As on 31st March, 2018, the Company's Paid up Capital is of Rs. 2,76,43,260 /- (Rupees Two Crore Seventy-Six Lakhs Forty-Three Thousand Two Hundred Sixty only) and Net worth is of Rs. 24,42,96,039/- (Rupees Twenty Four Cores Forty Two Lakhs Ninety Six Thousands and Thirty Nine only).

Hence compliance with Corporate Governance provisions as per Listing Obligations & Disclosure requirements (LODR) Regulations, 2015 are not applicable to company.

**23. PARTICULARS OF EMPLOYEES:**

During the financial year there were no employees drawing salary exceeding Rs. 5 Lacs. The information pursuant to Section 197 of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 relating to median employee's remuneration is annexed hereto marked Annexure-5 and forms part of this report.

**24. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

The Management's Discussion and Analysis Report for the year under review, as stipulated under regulation 34 (3) and Part B of schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, is annexed to this report. (Annexure 6)

**25. RISK MANAGEMENT POLICY:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives and thus in pursuance of the same it has formulated a Risk Management Policy to ensure compliance with regulation 17 of SEBI (LODR) 2015. Major risks identified by the businesses and functions are systematically addressed and also discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. Significant audit observations and follow up actions thereon are reported to the Audit Committee and the risk management policy is available on the website of the company: [www.spentasocks.com](http://www.spentasocks.com).

**26. POLICY ON DIRECTORS APPOINTMENT, REMUNERATION & BOARDS PERFORMANCE:**

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees

**SPENTA INTERNATIONAL LIMITED**

and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**27. COMMITTEES OF THE BOARD:**

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently three Committees of the Board, as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee

**28. WHISTLE BLOWER POLICY/VIGIL MECHANISM:**

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. Details of which have been given in the Corporate Governance Report annexed to this Report.

The Vigil Mechanism Policy is available at the website of the company: [www.spentasocks.com](http://www.spentasocks.com).

**29. DISCLOSURE UNDER SEXUAL HARASSMENT ACT:**

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, redressal for the benefits of its employees. Currently there are 11 women employees' working with the Company and a senior women employee has been designated to receive complaints and report such cases to the Audit Committee in this behalf. There were no complaints filed by any of the women employees of the Company under this Act.

**30. ACKNOWLEDGMENTS:**

Your Directors wish to place on record their appreciation of the support which the Company has received from its promoters, lenders, business associates including distributors, vendors and customers, the press and the employees of the Company.

**BY ORDER OF THE BOARD**  
Sd/-

**SANJAY GADODIA**  
**(CHAIRMAN)**  
**DIN NO: 00203433**

DATE: 14TH AUGUST, 2018  
PLACE: PALGHAR



Annexure - I  
**SECRETARIAL AUDIT REPORT**

Form No. MR-3

For Financial Year Ended On 31st March, 2018.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
SPENTA INTERNATIONAL LIMITED.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SPENTA INTERNATIONAL LIMITED** (hereinafter called "The Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our limited verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2018, as per the provisions of:

The Companies Act, 2013 ("The Act") and the Rules made thereunder;

The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective from 15th May, 2015);

The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company as mentioned bellows:

- i) The Environment Protection Act, 1986; and
- ii) Air (Prevention and Control of Pollution) Act 1981 and Rules issued by State Pollution Control Board; and
- iii) Water (Prevention and Control of Pollution) Act 1974 and Rules issued by State Pollution Control Board; and

We have also examined compliances with the applicable clauses of the following:

- i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (with effect from 1st December, 2015);

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards, etc. as mentioned above subject to the following observations:

Composition of Nomination and Remuneration is not in Compliance with the provisions of Section 178 of Companies Act, 2013.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors; however, the Composition of Nomination and Remuneration Committee is not as per Section 178 of the Companies Act, 2013 as mentioned above. The changes in the composition of the Board of Directors were took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

1. Recommended Final Dividend of Rs. 1.30/- per share by the Board of Directors for the year ended 31st March, 2017.
2. Appointed Mr. Prasad Chavan as a Company Secretary cum Compliance Officer w.e.f 5th May, 2017.
3. Mr. Gaurav Samdaria Independent Non - Executive Director of the Company resigned w.e.f. 22nd November, 2017 and Dr. Anita Koti has been appointed in place of as an Additional Independent Non- Executive Director w.e.f. 16th February, 2018.

DATE: 14th August, 2018  
PLACE: Mumbai

For HS Associates  
Company Secretaries  
Sd/-

**Hemant S. Shetye**  
Partner  
FCS No. : 2827  
CP No.: 1483

To,  
The Members,  
**SPENTA INTERNATIONAL LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

DATE: 14th August, 2018  
PLACE: Mumbai

For HS Associates  
Company Secretaries  
Sd/-

**Hemant S. Shetye**  
Partner  
FCS No. : 2827  
CP No.: 1483

**Annexure - II  
EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31<sup>st</sup> March 2018  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

| <b>I. REGISTRATION AND OTHER DETAILS:</b>                        |  |
|--|--|
| i) CIN:-   | L28129MH1986PLC040482  |
| ii) Registration Date:-  | 25/07/1986   |
| iii) Name of the Company:-                                       | SPENTA INTERNATIONAL LIMITED   |
| iv) Category / Sub-Category of the Company                       | 040482 / Company limited by shares   |
| v) Address of the Registered office and contact details:-        | Plot # 13-16, Dewan Industrial estate, Village Navali, Palghar (West), Thane - 401404  |
| vi) Whether listed company:-                                     | Yes  |
| vii) Name, Address and Contact details of Registrar and Transfer | Link Intime India Private Limited.<br>C-101, 247 Park, L.B.S. Marg, Vikhroli (W),<br>Mumbai – 400 083.<br>Telephone : 022-49186270<br>Fax : 022-49186060<br>E-mail : rnt.helpdesk@linkintime.co.in<br>Website : www.linkintime.co.in |

**I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| <b>Sr. No.</b> | <b>Name and Description of Main Product/Services</b> | <b>NIC Code of the Product</b> | <b>% to total turnover of the Company</b> |
|----------------|--|--------------------------------|---|
| 1.             | Manufacture of textiles                              | 13                             | 100%                                      |

**II. PARTICULARS OF ASSOCIATE COMPANIES -**

| <b>Sr. No.</b>  | <b>Name and address of the Company</b> | <b>CIN/GIN</b> | <b>Holding/ Subsidiary of the Company</b> | <b>% of shares held</b> | <b>Applicable Section</b> |
|---|--|----------------|---|-------------------------|---------------------------|
| Your Company has no associate, Joint venture or subsidiary companies. |  |                |   |                         |                           |

**SPENTA INTERNATIONAL LIMITED**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(i) Category-wise Share Holding**

| Category of shareholders                                | No. of shares held at the beginning of the year |          |                |                  | No. of shares held at the end of the year |          |                |                   | % Change during the year |
|---|---|----------|----------------|------------------|---|----------|----------------|-------------------|--------------------------|
|   | Demat   | Physical | Total          | % of Total Share | Demat                                     | Physical | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>                                     |   |          |                |                  |   |          |                |                   |                          |
| <b>1) Indian</b>  |   |          |                |                  |   |          |                |                   |                          |
| a) Individual/HUF                                       | 1780817   | -        | 1780817        | 64.42            | 1780817                                   | -        | 1780817        | 64.42             | -                        |
| b) Central Govt.  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| c) State Govt(s)  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| d) Bodies Corp.   | 1600  | -        | 1600           | 00.06            | 1600                                      | -        | 1600           | 00.06             | -                        |
| e) Bank/FI  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| f) Any Other  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| 1. Directors  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| 2. Directors Relative                                   | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| <b>Sub-Total (A)(1)</b>                                 | <b>1782417</b>                                  | <b>-</b> | <b>1782417</b> | <b>64.48</b>     | <b>1782417</b>                            | <b>-</b> | <b>1782417</b> | <b>64.48</b>      | <b>-</b>                 |
| <b>(2) Foreign</b>                                      |   |          |                |                  |   |          |                |                   |                          |
| a) NRIs-Individuals                                     | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| b) Other Individuals                                    | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| c) Bodies Corp.   | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| d) Bank/FI  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| e) Any Other  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| <b>Sub-Total (A)(2)</b>                                 | <b>0</b>  | <b>0</b> | <b>0</b>       | <b>0</b>         | <b>0</b>                                  | <b>0</b> | <b>0</b>       | <b>0</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoter (A) (A)(1)+(A)(2)</b> | <b>1782417</b>                                  | <b>-</b> | <b>1782417</b> | <b>64.48</b>     | <b>1782417</b>                            | <b>-</b> | <b>1782417</b> | <b>64.48</b>      | <b>-</b>                 |
| <b>1. Institutions</b>                                  |   |          |                |                  |   |          |                |                   |                          |
| a) Mutual Funds   | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| b) Bank/FI  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| c) Central Govt.  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| d) State Govt(s)  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| e) Venture Capital Funds                                | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| f) Insurance Companies                                  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| g) FIs  | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |
| h) Foreign Venture Capital Funds                        | -   | -        | -              | -                | -   | -        | -              | -                 | -                        |

|   |                |               |                |              |                |               |                |              |        |  |
|---|----------------|---------------|----------------|--------------|----------------|---------------|----------------|--------------|--------|--|
| I) Other (specify)  | -              | -             | -              | -            | -              | -             | -              | -            | -      |  |
| <b>Sub-Total (B)(1)</b>   | -              | -             | -              | -            | -              | -             | -              | -            | -      |  |
| <b>2. Non-Institutions</b>  | -              | -             | -              | -            | -              | -             | -              | -            | -      |  |
| a) Bodies Corp.   | 13744          | 3200          | 16944          | 00.61        | 15202          | 3200          | 18402          | 0.67         | 0.06   |  |
| I) Indian   |                |               |                |              |                |               |                |              |        |  |
| ii) Overseas  |                |               |                |              |                |               |                |              |        |  |
| b) Individuals  | -              | -             | -              | -            | -              | -             | -              | -            | -      |  |
| I) Individual shareholders holding nominal share capital upto Rs. 1 lakh          | 316452         | 307820        | 624272         | 22.58        | 365843         | 313620        | 679463         | 24.58        | 2.00   |  |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 262515         | 16000         | 278515         | 10.07        | 208811         | -             | 208811         | 7.55         | -2.52  |  |
| c) Others (specify)   | -              | -             | -              | -            | -              | -             | -              | -            | -      |  |
| (c-I) CLEARING MEMBER   | 4607           | -             | 4607           | 00.16        | 3341           | -             | 3341           | 00.12        | -00.04 |  |
| c-ii) OFFICE BEARERS  | -              | -             | -              | -            | -              | -             | -              | -            | -      |  |
| (c-iii) NON-RESIDENT INDIANS  | 5955           | 36300         | 42255          | 01.52        | 7830           | 36300         | 44130          | 01.60        | 0.08   |  |
| (c-iv) HUF  | 15316          | -             | 15316          | 00.55        | 27762          | -             | 27762          | 1.00         | 0.45   |  |
| <b>Total Public shareholding (B) (B)(1) +(B)(2)</b>                               | <b>618589</b>  | <b>363320</b> | <b>981909</b>  | <b>35.52</b> | <b>628789</b>  | <b>353120</b> | <b>981909</b>  | <b>35.52</b> | -      |  |
| <b>C. Shares held by Custodian for GDRs ADRs</b>                                  |                |               |                |              |                |               |                |              |        |  |
| <b>Grand Total</b>  | <b>2401006</b> | <b>363320</b> | <b>2764326</b> | <b>100</b>   | <b>2411206</b> | <b>353120</b> | <b>2764326</b> | <b>100</b>   | -      |  |

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(ii) Shareholding of Promoter's :

| Sr. No. | Shareholder's Name       | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % change in shareholding during the year |
|---------|--------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|         |                          | No. of Shares                             | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares                       | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |  |
| 1.      | DANNY F HANSOTIA         | 690277                                    | 24.97                            | -  | 690277                              | 24.97                            | -  | -  |
| 2.      | SANJAY S GADODIA         | 643133                                    | 23.26                            | -  | 643133                              | 23.26                            | -  | -  |
| 3.      | FIROZE MINOCHAR HANSOTIA | 118000                                    | 04.27                            | -  | 118000                              | 04.27                            | -  | -  |
| 4.      | SANDEEP GADODIA          | 164307                                    | 05.94                            | -  | 164307                              | 05.94                            | -  | -  |
| 5.      | SULOCHANA S. GADODIA     | 103500                                    | 03.74                            | -  | 103500                              | 03.74                            | -  | -  |
| 6.      | RITA S GADODIA           | 46000                                     | 01.66                            | -  | 46000                               | 01.66                            | -  | -  |
| 7.      | AMY F HANSOTIA           | 13000                                     | 00.47                            | -  | 13000                               | 00.47                            | -  | -  |
| 8.      | VIRAF FIROZE HANSOTIA    | 2600                                      | 00.09                            | -  | 2600                                | 00.09                            | -  | -  |
| 9.      | JUVENILE TRADING PVT LTD | 1600                                      | 0.06                             | -  | 1600                                | 0.06                             | -  | -  |
|         | <b>TOTAL</b>             | <b>1782417</b>                            | <b>64.48</b>                     | <b>-</b>   | <b>1782417</b>                      | <b>64.48</b>                     | <b>-</b>   | <b>-</b>                                 |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. No. |   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|---|----------------------------------|---|----------------------------------|
|         |   | No. of Shares                             | % of total Shares of the company | No. of Shares                           | % of total Shares of the company |
| 1.      | <b>DANNY FIROZE HANSOTIA</b>  |   |                                  |   |                                  |
|         | At the beginning of the year  | <b>690277</b>                             | <b>24.97</b>                     | <b>690277</b>                           | <b>24.97</b>                     |
|         | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | _____                                     | _____                            | _____                                   | _____                            |
|         | <b>At the End of the year</b>   |   |                                  | <b>690277</b>                           | <b>24.97</b>                     |



|          |   |               |              |               |              |
|----------|---|---------------|--------------|---------------|--------------|
| <b>2</b> | <b>SANJAY SHYAMSUNDER GADODIA</b>   |               |              |               |              |
|          | At the beginning of the year  | <b>643133</b> | <b>23.26</b> | <b>643133</b> | <b>23.26</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | _____         | _____        | _____         | _____        |
|          | <b>At the End of the year</b>   |               |              | <b>643133</b> | <b>23.26</b> |
| <b>3</b> | <b>SANDEEP SHYAMSUNDER GADODIA</b>  |               |              |               |              |
|          | At the beginning of the year  | <b>164307</b> | <b>05.94</b> | <b>164307</b> | <b>05.94</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | _____         | _____        | _____         | _____        |
|          | <b>At the End of the year</b>   |               |              | <b>164307</b> | <b>05.94</b> |
| <b>4</b> | <b>FIROZE M HANSOTIA</b>  |               |              |               |              |
|          | At the beginning of the year  | <b>118000</b> | <b>04.26</b> | <b>118000</b> | <b>04.26</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | _____         | _____        | _____         | _____        |
|          | <b>At the End of the year</b>   |               |              | <b>118000</b> | <b>04.26</b> |
| <b>5</b> | <b>SULOCHANA GADODIA</b>  |               |              |               |              |
|          | At the beginning of the year  | <b>103500</b> | <b>03.74</b> | <b>103500</b> | <b>03.74</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | _____         | _____        | _____         | _____        |
|          | <b>At the End of the year</b>   |               |              | <b>103500</b> | <b>03.74</b> |
| <b>6</b> | <b>RITA GADODIA</b>   |               |              |               |              |
|          | At the beginning of the year  | <b>46000</b>  | <b>01.66</b> | <b>46000</b>  | <b>01.66</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | _____         | _____        | _____         | _____        |
|          | <b>At the End of the year</b>   |               |              | <b>46000</b>  | <b>01.66</b> |

**SPENTA INTERNATIONAL LIMITED**

|          |   |              |              |              |              |
|----------|---|--------------|--------------|--------------|--------------|
| <b>7</b> | <b>AMY FIROZE HANSOTIA</b>  |              |              |              |              |
|          | <b>At the beginning of the year</b>   | <b>13000</b> | <b>00.47</b> | <b>13000</b> | <b>00.47</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | —            | —            | —            | —            |
|          | <b>At the End of the year</b>   |              |              | <b>13000</b> | <b>00.47</b> |
| <b>8</b> | <b>VIRAF FIROZE HANSOTIA</b>  |              |              |              |              |
|          | <b>At the beginning of the year</b>   | <b>2600</b>  | <b>00.09</b> | <b>2600</b>  | <b>00.09</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | —            | —            | —            | —            |
|          | <b>At the End of the year</b>   |              |              | <b>2600</b>  | <b>00.09</b> |
| <b>9</b> | <b>JUVENILE TRADING PVT LTD</b>   |              |              |              |              |
|          | <b>At the beginning of the year</b>   | <b>1600</b>  | <b>00.06</b> | <b>1600</b>  | <b>00.06</b> |
|          | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | —            | —            | —            | —            |
|          | <b>At the End of the year</b>   |              |              | <b>1600</b>  | <b>00.06</b> |

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | Name & Type of Transaction     | Shareholding at the beginning of the year - 2016 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2017 |                                  |
|---------|--------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|         |                                | No. of Shares held                               | % of Total Shares of the Company | Date of Transaction          | No. of Shares | No. of Shares Held                                    | % of Total Shares of the Company |
| 1       | <b>YAZDI B PESTONJAMASP</b>    | 129259   | 04.67                            | -                            | -             | 129259  | 04.67                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 129259  | 04.67                            |
| 2       | <b>GANDHI PRATIK RAJENDRA</b>  | 31200  | 01.13                            | -                            | -             | 31200   | 01.13                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 31200   | 01.13                            |
| 3       | <b>DIPAK KANAYALAL SHAH</b>    | 28000  | 01.01                            | -                            | -             | 28000   | 01.01                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 28000   | 01.01                            |
| 4       | <b>ANUP OMPRAKASH JUNEJA</b>   | 20352  | 00.74                            | -                            | -             | 20352   | 00.74                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 40704   | 00.74                            |
| 5       | <b>USHA NIRANJAN AGARWAL</b>   | 16000  | 00.58                            | -                            | -             | 16000   | 00.58                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 16000   | 00.58                            |
| 6       | <b>CHAITALEE MANIHAR</b>       | 15200  | 00.55                            | -                            | -             | 15200   | 00.55                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 15200   | 00.55                            |
| 7       | <b>OMPRAKASH BAGADIA</b>       | 14700  | 00.53                            | -                            | -             | 14700   | 00.53                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 14700   | 00.53                            |
| 8       | <b>JAYANT GOPAL FARSWAN</b>    | 12504  | 00.45                            | -                            | -             | 12504   | 00.45                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 12504   | 00.45                            |
| 9       | <b>SHANTI MURARI MANWANI</b>   | 11300  | 00.41                            | -                            | -             | 11300   | 00.41                            |
|         | Market Purchase                | -  | -                                | 04.08.17                     | 101           | 11401   | 00.41                            |
|         | At the end of the year         | -  | -                                | -                            | -             | 11401   | 00.41                            |
| 10      | <b>VINOD MOHANLAL SHAH</b>     | 1873   | 0.068                            | -                            | -             | 1873  | 0.068                            |
|         | Market Purchase                | -  | -                                | 07.04.2017                   | 1221          | 3094  | 0.11                             |
|         | Market Purchase                | -  | -                                | 05.05.2017                   | 500           | 3594  | 0.13                             |
|         | Market Sell                    | -  | -                                | 15.09.2017                   | (34)          | 3560  | 0.13                             |
|         | Market Purchase                | -  | -                                | 20.10.2017                   | 119           | 3679  | 0.13                             |
|         | Market Purchase                | -  | -                                | 27.10.2017                   | 212           | 3891  | 0.14                             |
|         | Market Purchase                | -  | -                                | 03.11.2017                   | 6500          | 10391   | 0.37                             |
|         | Market Purchase                | -  | -                                | 16.03.2018                   | 125           | 10516   | 0.38                             |
|         | At the end of the year         | -  | -                                | -                            | -             | 10516   | 0.38                             |
| 11      | <b>PLUTUS CAPITAL MAN. LLP</b> | 10459  | 0.38                             | -                            | -             | 10459   | 0.38                             |
|         | Market Purchase                | -  | -                                | 07.04.2017                   | 272           | 10731   | 0.39                             |
|         | Market Purchase                | -  | -                                | 21.04.2017                   | 534           | 11265   | 0.41                             |
|         | Market Purchase                | -  | -                                | 05.05.2017                   | 1             | 11266   | 0.41                             |

|  |                        |   |   |            |        |       |      |
|--|------------------------|---|---|------------|--------|-------|------|
|  | Market Purchase        | - | - | 12.05.2017 | 734    | 12000 | 0.43 |
|  | Market Sell            | - | - | 01.12.2017 | (2000) | 10000 | 0.36 |
|  | Market Sell            | - | - | 29.12.2017 | (3000) | 7000  | 0.25 |
|  | Market Sell            | - | - | 05.01.2018 | (2000) | 5000  | 0.18 |
|  | Market Sell            | - | - | 12.01.2018 | (2000) | 3000  | 0.11 |
|  | Market Sell            | - | - | 16.03.2018 | (1002) | 1998  | 0.07 |
|  | At the end of the year | - | - | -          | -      | 1998  | 0.07 |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|---------|-----------------------------------|---|----------------------------------|-------------------------------------|----------------------------------|
|         |                                   | No. of Shares                             | % of total Shares of the company | No. of Shares                       | % of total Shares of the company |
| 1.      | DANNY F HANSOTIA                  | 690277                                    | 24.97                            | 690277                              | 24.97                            |
| 2.      | SANJAY S GADODIA                  | 643133                                    | 23.26                            | 643133                              | 23.26                            |

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 776.28                           | 0               | 0        | 776.28             |
| ii) Interest due but not paid                              | 0                                | 0               | 0        | 0.00               |
| iii) Interest accrued but not due                          | 0                                | 0               | 0        | 0.00               |
| <b>Total (i+ii+iii)</b>                                    | <b>776.28</b>                    | <b>0</b>        | <b>0</b> | <b>776.28</b>      |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| Addition   | 833.10                           | 0               | 0        | 833.10             |
| Reduction  | 0                                | 0               | 0        | 0                  |
| <b>Net Change</b>  | <b>833.10</b>                    | <b>0</b>        | <b>0</b> | <b>833.10</b>      |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 1609.38                          | 0               | 0        | 1609.38            |
| ii) Interest due but not paid                              | 0                                | 0               | 0        | 0.00               |
| iii) Interest accrued but not due                          | 0                                | 0               | 0        | 0.00               |
| <b>Total (i+ii+iii)</b>                                    | <b>1609.38</b>                   | <b>0</b>        | <b>0</b> | <b>1609.38</b>     |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:**

| Sr. No. | Particulars of Remuneration   | Name of MD/WTD/Manager |                | Rs. in Lacs |
|---------|---|------------------------|----------------|-------------|
|         |   | Danny Hansotia         | Sanjay Gadodia |             |
| 1.      | Gross Salary  |                        |                |             |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act | 20.81                  | 20.81          | 41.62       |
|         | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961                       | 9.19                   | 9.19           | 18.38       |
|         | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961        | 0                      | 0              | 0           |
| 2.      | Stock Option  | 0                      | 0              | 0           |
| 3.      | Sweat Equity  | 0                      | 0              | 0           |
| 4.      | Commission<br>- As % of Profit<br>- Others, specify                           | 0                      | 0              | 0           |
| 5.      | Others, please specify  | 0                      | 0              | 0           |
|         | <b>Total (A)</b>  | 30.00                  | 30.00          | 60.00       |
|         | Ceiling as per the Act  | 84.00                  | 84.00          | 168.00      |

**B. Remuneration of other directors:**

| Sr. No. | Particulars of Remuneration                  | Name of Directors     |                       |                       | Total Amount |
|---------|--|-----------------------|-----------------------|-----------------------|--------------|
|         |  | Mr. Gaurav Samdaria** | Ms. Sunita Misri      | Mrs. Anita Koti**     |              |
| 1.      | <b>Independent Directors</b>                 | Independent Directors | Independent Directors | Independent Directors |              |
|         | • Fee for attending board committee meetings | 87,500/-              | 30,000/-              | 7,500/-               | 1,25,000/-   |
|         | • Commission                                 | -                     | -                     | -                     | -            |
|         | • Other, please specify                      | -                     | -                     | -                     | -            |
|         | <b>Total (1)</b>                             |                       |                       |                       |              |
|         | <b>Other Non-Executive Directors</b>         | -                     | -                     | -                     | -            |
|         | • Fee for attending board committee meetings | -                     | -                     | -                     | -            |
|         | • Commission                                 | -                     | -                     | -                     | -            |
|         | • Others, please specify                     | -                     | -                     | -                     | -            |
|         | <b>Total (2)</b>                             | -                     | -                     | -                     | -            |
|         | <b>Total (B) = (1+2)</b>                     | -                     | -                     | -                     | -            |
|         | <b>Total Managerial Remuneration</b>         | -                     | -                     | -                     | -            |
|         | Overall Ceiling as per the Act               | -                     | -                     | -                     | -            |

\*Mr. Gaurav Samdaria resigned as Independent Non – Executive Director as on 22nd November, 2017

\*\*Mrs. Anita Koti is appointed as Additional Non-Executive Independent Director as on 16th February, 2018

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

| Sr. No. | Particulars of Remuneration   | Mr. Prasad Chavan<br>(Company Secretary) | Total Amount      |
|---------|---|--|-------------------|
| 1.      | Gross Salary  |  |                   |
|         | (a) Salary as per provision contained in section 17(1) of the Income- tax Act, 1961 | 3,00,000/-                               | 3,00,000/-        |
|         | (b) Value of perquisite u/s 17(2) of the Income –tax Act,1961                       |  |                   |
|         | (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961      |  |                   |
| 2.      | Stock Option  |  |                   |
| 3.      | Sweat Equity  |  |                   |
| 4.      | Commission (as % of profits)  |  |                   |
| 5.      | Others- Retiral Benefits  |  |                   |
|         | <b>Total</b>  | <b>3,00,000/-</b>                        | <b>3,00,000/-</b> |

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/Punishment/ Compounding fees imposed | Authority [RD/NCLT/COLOUR] | Appeals, if any (give details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|--------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                            |                                |
| Penalty                             | -                            | -                 | -   | -                          | -                              |
| Punishment                          | -                            | -                 | -   | -                          | -                              |
| Compounding                         | -                            | -                 | -   | -                          | -                              |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                            |                                |
| Penalty                             | -                            | -                 | -   | -                          | -                              |
| Punishment                          | -                            | -                 | -   | -                          | -                              |
| Compounding                         | -                            | -                 | -   | -                          | -                              |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                            |                                |
| Penalty                             | -                            | -                 | -   | -                          | -                              |
| Punishment                          | -                            | -                 | -   | -                          | -                              |
| Compounding                         | -                            | -                 | -   | -                          | -                              |

**For and behalf of the Board**  
**SPENTA INTERNATIONAL LIMITED**

Sd/-  
Name: **Danny Hansotia**  
Director: Managing Director  
DIN No : 00203497

Sd/-  
Name: **Sanjay Gadodia**  
Director: Chairman  
DIN No : 00203433

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies(Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

| Sr. No | Name of the Related Party & Nature of Relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Justification for entering into such contracts or arrangements or transactions | date(s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
|--------|--|---|---|--|--|----------------------------------|---------------------------------|---|
|        | NIL  | NIL   | NIL   | NIL  | NIL  | NIL                              | NIL                             | NIL   |

**2. Details of contracts or arrangements or transactions at arm's length basis:**

| Name of the Related Party & Nature of Relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Amount paid as advances, if any |
|--|---|---|--|---------------------------------|
| NIL  | NIL   | NIL   | NIL  | NIL                             |

Sd/-

Name: **Danny Hansotia**

Director: Managing Director

DIN No : 00203497

Sd/-

Name: **Sanjay Gadodia**

Director: Chairman

DIN No : 00203433



**SPENTA INTERNATIONAL LIMITED**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT , 2013 READ WITH THE COMPANIES (ACC OUNTS) RULES, 2014**
**A. CONSERVATION OF ENERGY**

- i. The steps taken or impact on conservation of energy :
  - Maintained the power factor in the range of 0.998 to 0.999 throughout the year and got rebate in electricity bills
  - New Kaesar Make air compressor and dryer installed in 2013 for better consumption of electricity
- ii. The steps taken by the company for utilizing alternate sources of energy - NIL
- iii. The capital investment on energy conservation equipments. - NIL

**B. TECHNOLOGY ABSORPTION**

- i. the efforts made towards technology absorption :
  - a. Installation of ETP plant for treatment and conservation of waste water
  - b. Installation of Metal Detectors in Finishing Line to detect metal contamination in socks
  - c. In house repair of electronic parts in the Knitting machine, thus eliminating need to import spare parts frequently
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution :
  1. Improved safety measures and pollution control
  2. Quality and productivity improvement
  3. Cost Reduction
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
  - a. the details of technology imported - NIL
  - b. the year of import - NIL
  - c. whether the technology been fully absorbed - NIL
  - d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - NIL
- iv. the expenditure incurred on Research and Development – Non Ascertainable

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. in lacs)

|                                     | 31/03/2018 | 31/03/2017 |
|-------------------------------------|------------|------------|
| <b>Foreign Exchange Earnings:</b>   |            |            |
| <b>Foreign Exchange outgo:</b>      | -          | -          |
| Traveling                           | 3.11       | 8.95       |
| Advances for Spares and Consumables | -          | -          |
| Plant and Machinery                 | 19.83      | 99.83      |
| Spares & Consumables                | 1.57       | 3.28       |

**D. BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO PROTECT THE ENVIRONMENT**

Your Company's vision is to grow the business without any negative impact on the environment; company is socially conscious, offering solutions that can assist with different social issues that impact our environment. To achieve this goal, your Company has taken up efforts of specific reductions in the areas of waste, your Company has implemented Zero discharge Plant for pollution Control, Effluent Treatment Plant (ETP Plant) for better treatment of waste from the production.

Your Company is also planting sapling in the free land which is adjacent to the factory which is small step towards the environment protection and climate change due to global warming.

Your company is also contemplating to settle up for Solar Panel for In-house use of the Company which will also reduce air pollution as it does not produce any greenhouse gasses which is one of the reasons for Global warming.

**Form A : Disclosure of Particulars with respect to Conservation of Energy**
**A. POWER & FUEL CONSUMPTION**

|    |                            | <b>31.3.2018</b> | <b>31.3.2017</b> |
|----|----------------------------|------------------|------------------|
|    | <b>Electricity</b>         |                  |                  |
| a) | Purchased                  |                  |                  |
|    | Units (in lacs) (in kwh)   | 15.66            | 15.06            |
|    | Amount in Rupees (in lacs) | 136.93           | 126.62           |
|    | Rate per Unit (in rupees)  | 8.74             | 08.41            |

**B. CONSUMPTION PER UNIT OF PRODUCTION**

|  |                                 | <b>31.3.2018</b> | <b>31.3.2017</b> |
|--|---------------------------------|------------------|------------------|
|  |                                 | Number of pairs  |                  |
|  | Product : Knitted Socks         | 43,96,417        | 46,34,889        |
|  | Electricity (kwh/pair of socks) | 0.356            | 0.325            |

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

| Name of the directors          | Ratio to median Remuneration |
|--------------------------------|------------------------------|
| <b>Non-executive directors</b> |                              |
| Mr. Gaurav Samdaria*           | 0.56                         |
| Mrs. Sunita Misri              | 0.19                         |
| Mrs. Anita koti**              | 0.04                         |
| <b>Executive directors</b>     |                              |
| Mr. Sanjay Gadodia             | 19.20                        |
| Mr. Danny Hansotia             | 19.20                        |

\*Mr. Gaurav Samdaria resigned as Independent Non – Executive Director as on 22nd November, 2017

\*\*Mrs. Anita Koti is appointed as Additional Non-Executive Independent Director as on 16th February, 2018

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

| Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary | % increase in remuneration in the financial year |
|---|--|
| Mr. Sanjay Gadodia  | –  |
| Mr. Danny Hansotia  | –  |
| Mr. Gaurav Samdaria*  | 75   |
| Mrs. Sunita Misri   | –  |
| Mrs. Anita Koti**   | --   |

\*Mr. Gaurav Samdaria resigned as Independent Non – Executive Director as on 22nd November, 2017

\*\*Mrs. Anita Koti is appointed as Additional Non-Executive Independent Director as on 16th February, 2018

- c. The percentage increase in the median remuneration of employees in the financial year: No Increase in remuneration
- d. The number of permanent employees on the rolls of Company: 76
- e. The explanation on the relationship between average increase in remuneration and Company Performance:

The average remuneration of employees has remained same as that of last year however the company's net profit has increase from Rs.1,69,04,337/- to Rs. 1,84,33,023/-

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

|   |              |
|---|--------------|
| Aggregate remuneration of key managerial personnel (KMP) in FY 17 | 60,00,000    |
| Revenue   | 37,00,90,737 |
| Remuneration of KMPs (as a % of revenue)                          | 1.62%        |
| Profit before Tax (PBT)   | 2,57,49,576  |
| Remuneration of KMP (as a % of PBT)                               | 23.30%       |

**SPENTA INTERNATIONAL LIMITED**

- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

| Particulars           | March 31, 2018 | March 31, 2017 | % Change |
|-----------------------|----------------|----------------|----------|
| Market Capitalisation | 39,65,42,564.7 | 30,44,90,508.9 | 30.23    |
| Price Earnings Ratio  | 21.51          | 18.73          | 14.84    |

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

| Particulars        | March 31, 2018 | IPO          | % Change |
|--------------------|----------------|--------------|----------|
| Market Price (BSE) | 143.45         | Rs.10 at Par | 1434.5   |

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Remuneration of employees and remuneration paid to key managerial personnel remained same.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

| Remuneration in FY 2018         | (Managing Director)<br>30,00,000 | (Whole-Time Director & CFO)<br>30,00,000 |
|---------------------------------|----------------------------------|--|
| <b>Revenue :</b>                |                                  |  |
| Remuneration as % of revenue    | 0.81                             | 0.81                                     |
| <b>Profit before Tax (PBT):</b> |                                  |  |
| Remuneration                    | 11.65                            | 11.65                                    |

- k. The key parameters for any variable component of remuneration availed by the directors:  
There are no variable components of remuneration provided to the Directors

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:  
**None.**

- m. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 14, 2018 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: [www.spentasocks.com](http://www.spentasocks.com)

- n. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 14, 2018 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: [www.spentasocks.com](http://www.spentasocks.com)

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. INDUSTRY STRUCTURE AND DEVELOPMENT:**

The socks and accessories market in India has grown tremendously over the past years. Socks have come to become an integral part of the daily clothing as well as a fashion statement. Fashion Trends in the India are evolving at a faster pace. Textiles and apparels exported from India consume mainly indigenous inputs and are, therefore, big earners of net foreign exchange. This helps the country reduce its current account deficit.

Metros have the largest business potential at the moment, because of the increasing demand of products influenced by global trends and styles as well as the global brand penetration in the Indian fashion industry. The sock and accessories being the unorganized and fragmented sector the entire industry size and figures cannot be estimated. Although, Indian socks and accessories market is still customizing and nurturing, socks are graduating from a simple accessory to a more sophisticated product largely supported by continued innovations.

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand. This has led to various opportunities as well and created a huge market for accessories in India. The next wave of growth in this industry will be seen in the tier I and II markets; where brands have achieved significant awareness but limited availability.

**B. OPPORTUNITIES AND THREATS:**

As there are large and potential Domestic and International Market available, your Company has an opportunity to widen production base, with increasing turnover, which will result in economies of scale and advance processing capabilities. The demand for socks has been increasing gradually for the last few decades particularly in India and other developing countries. The flow of orders has been progressively increasing with each passing year. We feel that socks are such a versatile accessory that brings innovation into, it is inevitable progression.

Your Company is well poised to seize opportunities available in the sock knitting industry on account of its state-of-the-art production facilities, technical expertise, good quality culture and emphasis on product innovation and growth potential. Market is gradually shifting towards Branded Readymade Garment and due to greater Investment and FDI opportunities availability your Company is expected to grow at a high rate with huge demand creation in the market.

This augurs well for Indian Companies in the textile and hosiery sector. With the era of domination of the world's textiles, including hosiery items, originating in China, decreasing slowly, the base is shifting to India and other Emerging/Developing Countries. This augurs well for Indian Companies in the textile and hosiery sector. Continuous Quality improvement is need of the hour as there are different demand patterns all over the world, to balance the demand and supply, to make balance between price and quality, changing consumer preferences, locational disadvantage, and geographical disadvantages. Continuation of these adverse factors will result into potential threats to our industry.

**C. SEGMENT-WISE OR PRODUCT WISE PERFORMANCE:**

The Company has one segment activity namely socks, in line with the definition of "segment" as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India. The performance of the Company is discussed separately in the Directors' Report.

**D. OUTLOOK:**

The Business will continue to focus on increasing the premium and fashion quotient of its offerings on the basis of a deep understanding of consumer preferences and delivering products of world-class quality. Expectations are high, prospects are bright, but capitalizing on the new emerging opportunities will be a challenge for the socks manufacturing Companies.

The Company's Socks Division is optimistic of growth through continued network expansion and innovation. Further investments are being made in to enhance reach and accessibility to its target audience, enhancing product vitality, improving supply chain responsiveness and delivering superior customer service to delight the customer with better quality product.

**E. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Internal control system is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. Your Company believes in formulating adequate and effective internal control systems and implementing the same to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances.



## **SPENTA INTERNATIONAL LIMITED**

The Company has a sound Management Information System which is an integral part of the control mechanism. The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

### **F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year under review the total production of the socks was satisfactory. The Profit before tax recorded during the year was Rs. 257.49 Lakhs as against Rs. 249.33 Lakhs in the previous financial year.

### **G. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

The employees of the Company have extended a very productive co-operation in the efforts of the management to carry the Company to greater heights. As always, people development continues to be an extremely important area in your Company. Anchoring developmental conversations at every level and ensuring that all managers are skilled in holding developmental conversations has been an area of focus. The industrial relations remained cordial throughout the year. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

### **H. CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

### **I. RISK'S AND CONCERNS:**

Unfavorable cotton-polyester staple fibre spreads have hurt substitution demand for synthetic fibres and synthetic yarn. Lower export competitiveness of Indian synthetic yarn also contributes to the subdued outlook as import and central excise duty continue on man-made fibres. The Indian cotton textile sector that has not been faring quite well for the past few years could see some stability in the current financial year as per the report by India Ratings and Research. The sector is expected to maintain an overall stable outlook led by stable spinning margins in the cotton yarn segment, range-bound cotton prices and favorable domestic and export demand.

The major challenge that the textile, apparel and hosiery industry faces is of ever increasing production costs arising out of rising wages, power and other overheads. However, the outlook for cotton yarn exporters is negative due to a slowdown in demand for yarn particularly from China, leading to softer yarn realizations and lower capacity utilization. Currently India has a small share in the global textile trade. Industry trackers say that India is well positioned to gain from weak input prices and growing demand for apparels.

**BY ORDER OF THE BOARD**  
Sd/

**Date : 14th August, 2018**  
**Place: Palghar**

**DANNY HANSOTIA**  
**(MANAGING DIRECTOR)**

CEO/CFO CERTIFICATION

To,  
The Board of Directors,  
**Spenta International Limited.**  
Plot No. 13 to 16,  
Dewan Industrial Estate,  
Village Navali, Palghar.

We, Sanjay Gadodia, Chief Executive Officer and Danny Hansotia, Chief financial Officer of the Company do hereby certify that:

1. We have reviewed the financial statement and the cash flow statements for the year and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - (b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
  - (a) Significant changes, if any, in internal control over financial reporting during the year;
  - (b) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and.
  - (c) Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**FOR SPENTA INTERNATIONAL LTD**

**FOR SPENTA INTERNATIONAL LTD**

Sd/-  
**SANJAY GADODIA**  
(CEO)

Sd/-  
**DANNY HANSOTIA.**  
(CFO)

DATE : 14TH AUGUST, 2018  
PLACE: PALGHAR

DECLARATION

I, Sanjay Gadodia, CEO of the Company hereby declare that all Board members and Senior Management personnel have affirmed compliance with the code on an annual basis.

**FOR SPENTA INTERNATIONAL LIMITED**

Sd/-  
**SANJAY GADODIA**  
(CEO)

DATE : 14TH AUGUST, 2018  
PLACE: PALGHAR



## SPENTA INTERNATIONAL LIMITED

### INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
SPENTA INTERNATIONAL LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying financial statements of Spenta International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (Including other Comprehensive Income) and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, and to the best of our information, and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the generally accepted accounting principles in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;



- b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Company Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

As required by Section 143(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
  - 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
  - 2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - 3. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March, 2018.

**For M/s. Rajeev Shah & Co.,**  
Chartered Accountants  
FRN: 108346W

**Sd/-**  
**(CA Rajesh A. Mody)**  
**Partner**  
Membership No: 047501  
Date: 25th May, 2018

(Referred to in paragraph of audit report on "Other Legal and Regulatory Requirements" of even date)

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. According to the information and explanation given to us, the fixed assets are being physically verified by the management according to a phased program designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets.

Pursuant to this program, some of the fixed assets have been physically verified by the management during the year, and no material discrepancies were noticed on such verification.
  - c. In our opinion the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of such verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
3. In our opinion and to the best of our information and according to explanations given to us, in respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 189 of the Act:
  - a. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, The Company has not given any loan, investment, guarantees and security for loans taken by others from banks or financial institutions.
5. In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
6. In our opinion and as per the explanations given to us the company is not required to maintain accounts and records as prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.
7. In respect of statutory dues :
  - a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, and Income Tax, Sales Tax, Wealth Tax, Customs duty, Works Contract tax, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months

**SPENTA INTERNATIONAL LIMITED**

from the date of becoming payable.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Sales tax / Value added tax, Wealth tax, duty of Excise, Income tax, Service tax, duty of customs and other material statutory dues were in arrears at the yearend for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no dues of Service tax, Wealth tax, Income tax, Sales tax/ Value added tax, duty of Excise and duty of customs as at the yearend which have not been deposited with the appropriate authorities on account of any dispute.
- c. According to the information and explanations given to us, the Company has no liabilities which are required to be transferred to the investor education and protection fund within the prescribed time.
8. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayments of dues to financial institutions, banks or debenture holders.
9. According to the records of the company examined by us and the information and explanation given to us, the Company has applied the term loans for the purpose for which the loans were obtained
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.
11. According to the records of the company examined by us and the information and explanation given to us, the managerial remuneration has been paid as per the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xii) of paragraph 4 of the Order are not applicable to the Company.
13. According to the records of the company examined by us and the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards;
14. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Clause 3(xiv) are not applicable to the company and, not commented upon.
15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Companies Act, 2013.
16. As the company is not engaged in business of non-banking financial institution, accordingly the company is not required to registered under section 45-IA of Reserve Bank of India Act, 1934.

**For M/s. Rajeev Shah & Co.,**  
Chartered Accountants  
FRN: 108346W

**Sd/-**  
**(CA Rajesh A. Mody)**  
**Partner**  
Membership No: 047501  
Date: 25th May, 2018

**ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT**

referred to in paragraph 1(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Spenta International Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

**Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.**

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statement.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;



## SPENTA INTERNATIONAL LIMITED

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to financial statement, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statement to future periods are subject to the risk that the internal financial control with reference to financial statement may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. Rajeev Shah & Co.,**  
Chartered Accountants  
FRN: 108346W

**Sd/-**  
**(CA Rajesh A. Mody)**  
**Partner**  
Membership No: 047501  
Date: 25th May, 2018

**Balance Sheet as at 31 March 2018**

(Amount in Rs.)

|  | Sch. | As at<br>31 March 2018 | As at<br>31 March 2017 | As at<br>01 April 2016 |
|--|------|------------------------|------------------------|------------------------|
| <b>ASSETS</b>                                  |      |                        |                        |                        |
| <b>1. Non-current assets</b>                   |      |                        |                        |                        |
| (A) Property, Plant and Equipment              | 2    | 175,168,701            | 88,379,570             | 84,100,779             |
| (B) Capital work-in-progress                   |      | -                      | -                      | -                      |
| (C) Investment Property                        | 3    | 11,387,983             | 11,387,983             | 11,387,983             |
| (D) Goodwill                                   |      | -                      | -                      | -                      |
| (E) Other Intangible assets                    |      | -                      | -                      | -                      |
| (F) Intangible assets under development        |      | -                      | -                      | -                      |
| (G) Biological Assets other than bearer plants |      | -                      | -                      | -                      |
| (H) Financial Assets                           |      |                        |                        |                        |
| (i) Investments                                |      | -                      | -                      | -                      |
| (ii) Trade receivables                         |      | -                      | -                      | -                      |
| (iii) Loans                                    | 4    | 2,650,000              | -                      | -                      |
| (iii) Others                                   |      | -                      | -                      | -                      |
| (I) Deferred tax assets (net)                  | 5    | 2,396,377              | 4,211,890              | 5,600,956              |
| (J) Other non-current assets                   | 6    | 23,679,002             | 27,264,173             | 25,225,188             |
|  |      | <b>215,282,062</b>     | <b>131,243,616</b>     | <b>126,314,906</b>     |
| <b>2. Current assets</b>                       |      |                        |                        |                        |
| (A) Inventories                                | 7    | 83,097,965             | 70,533,845             | 54,696,948             |
| (B) Financial Assets                           |      |                        |                        |                        |
| (i) Investments                                | 8    | 7,961,672              | 7,687,710              | 7,088,649              |
| (ii) Trade receivables                         | 9    | 104,523,166            | 57,267,916             | 70,067,171             |
| (iii) Cash and cash equivalents                | 10   | 1,798,296              | 597,995                | 4,863,199              |
| (iv) Bank balances other than (iii) above      | 11   | 39,032,876             | 65,228,080             | 55,271,897             |
| (v) Loans                                      | 12   | 2,448,707              | 6,690,458              | 4,303,129              |
| (vi) Others                                    | 13   | 5,054,611              | 4,163,890              | 4,374,283              |
| (C) Current Tax Assets (Net)                   |      | 475,570                | 2,286,170              | -                      |
| (D) Other current assets                       | 14   | 7,320,697              | 3,818,761              | 2,283,358              |
|  |      | <b>251,713,560</b>     | <b>218,274,825</b>     | <b>202,948,635</b>     |
| <b>TOTAL ASSETS</b>                            |      | <b>466,995,622</b>     | <b>349,518,441</b>     | <b>329,263,541</b>     |
| <b>EQUITY AND LIABILITIES</b>                  |      |                        |                        |                        |
| <b>1. Equity</b>                               |      |                        |                        |                        |
| (a) Equity Share Capital                       | 15   | 27,643,260             | 27,643,260             | 27,643,260             |
| (b) Other Equity                               | 16   | 216,652,779            | 202,749,509            | 190,128,058            |
|  |      | <b>244,296,039</b>     | <b>230,392,769</b>     | <b>217,771,318</b>     |
| <b>2. Liabilities</b>                          |      |                        |                        |                        |
| <b>(I) Non-current liabilities</b>             |      |                        |                        |                        |
| (A) Financial Liabilities                      |      |                        |                        |                        |
| (i) Borrowings                                 | 17   | 80,405,226             | 29,613,655             | 25,655,424             |
| (i) Trade payables                             |      | -                      | -                      | -                      |
| (i) Other financial liabilities                |      | -                      | -                      | -                      |
| (B) Provisions                                 | 18   | 3,835,354              | 3,582,211              | 3,818,757              |
| (C) Deferred Tax Liabilities (Net)             |      | -                      | -                      | -                      |
| (c) Other non-current liabilities              |      | -                      | -                      | -                      |
|  |      | <b>84,240,580</b>      | <b>33,195,866</b>      | <b>29,474,181</b>      |

**Balance Sheet as at 31 March 2018**

(Amount in Rs.)

|   | Sch. | As at<br>31 March 2018 | As at<br>31 March 2017 | As at<br>01 April 2016 |
|---|------|------------------------|------------------------|------------------------|
| <b>(II) Current liabilities</b>   |      |                        |                        |                        |
| (A) Financial Liabilities   |      |                        |                        |                        |
| (i) Borrowings  | 19   | 80,532,493             | 48,014,260             | 41,355,767             |
| (ii) Trade payables   | 20   | 49,145,592             | 31,213,150             | 35,500,059             |
| (iii) Other financial liabilities   | 21   | 4,438,148              | 4,208,386              | 3,516,109              |
| (B) Other current liabilities   | 22   | 3,128,008              | 1,553,360              | 1,095,782              |
| (C) Provisions  | 23   | 1,214,761              | 940,650                | 550,325                |
| (D) Current Tax Liabilities (Net)   |      | -                      | -                      |                        |
|   |      | <b>138,459,002</b>     | <b>85,929,806</b>      | <b>82,018,042</b>      |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b>466,995,622</b>     | <b>349,518,441</b>     | <b>329,263,541</b>     |
| <b>Significant Accounting Policies</b>                                      | 1    | (0)                    | (0)                    | 0                      |
| "The notes referred to above form an integral part of Financial Statements" |      |                        |                        |                        |

As per our attached report of even date

**For M/s. Rajeev Shah & Co.,  
Chartered Accountants**
**(CA Rajesh A. Mody)**
**Partner Membership No.: 047501**
**Firm Registration No. 108346W**

 Place :- Mumbai  
Date : 25th May, 2018

**For and behalf of the Board**

Sd/-

**Sanjay S. Gadodia**  
(Chairman / CEO)  
**DIN - 00203433**

 Place :- Mumbai  
Date : 25th May, 2018

Sd/-

**Danny F. Hansotia**  
(Managing Director/CFO)  
**DIN - 00203497**
**Nutan Bidye**  
Company Secretary  
**ACS NO. 55068**

**SPENTA INTERNATIONAL LIMITED**

Statement of Profit and Loss Account for the year ended 31 March 2018

(Amount in Rs.)

|  | Note No. | For the year ended<br>March 31, 2018 | For the year ended<br>March 31, 2017 |
|--|----------|--------------------------------------|--------------------------------------|
| <b>INCOME</b>  |          |                                      |                                      |
| Revenue from operations  | 24       | 370,090,737                          | 357,275,361                          |
| Other income   | 25       | 6,126,699                            | 5,912,288                            |
| <b>Total revenue (1+2)</b>   |          | <b>376,217,436</b>                   | <b>363,187,649</b>                   |
| <b>OPERATING EXPENDITURE</b>   |          |                                      |                                      |
| (a) Cost of materials consumed   | 26       | 220,001,004                          | 183,271,745                          |
| (b) Purchases of stock-in-trade  | 27       | 30,622,095                           | 71,193,309                           |
| (c) Changes in inventories of finished goods,<br>Work in Progress & Stock in Trade | 28       | (1,909,229)                          | (6,655,133)                          |
| (d) Employee benefits expense  | 29       | 27,336,756                           | 25,495,757                           |
| (g) Finance charges  | 30       | 15,910,570                           | 13,967,402                           |
| (e) Depreciation and amortization expense  |          | 13,181,797                           | 9,514,616                            |
| (f) Power & Fuel Cost  | 32       | 13,859,505                           | 12,793,989                           |
| (h) Other expenses   | 33       | 31,465,365                           | 28,673,093                           |
| <b>Total Expenses</b>  |          | <b>350,467,862</b>                   | <b>338,254,778</b>                   |
| <b>PROFIT BEFORE TAX</b>   |          | 25,749,574                           | 24,932,872                           |
| <b>Tax expense:</b>  | 34       |                                      |                                      |
| (a) Current tax  |          | 5,400,000                            | 6,500,000                            |
| (b) Deferred tax   |          | 1,916,551                            | 1,528,534                            |
| <b>Profit / (Loss) after tax</b>   |          | <b>18,433,023</b>                    | <b>16,904,337</b>                    |
| <b>Other Comprehensive Income</b>  |          |                                      |                                      |
| A (i) Items that will not be reclassified to profit or loss                        |          | (378,186)                            | (429,862)                            |
| (ii) Income tax relating to items that will not be reclassified to profit or loss  |          | 173,634                              | 139,469                              |
| B (i) Items that will be reclassified to profit or loss                            |          | -                                    | -                                    |
| (ii) Income tax relating to items that will be reclassified to profit or loss      |          | -                                    | -                                    |
|  |          | <b>(204,552)</b>                     | <b>(290,393)</b>                     |
| <b>Total Comprehensive Income for the Period</b>                                   |          | <b>18,228,471</b>                    | <b>16,613,944</b>                    |
| <b>Earnings per share (of Rs.10/- each):</b>                                       |          |                                      |                                      |
| (a) Basic (incl./excl. exceptional items)  | 35       | 6.67                                 | 6.12                                 |
| (b) Diluted (incl./excl. Exceptional items)  |          | 6.67                                 | 6.12                                 |
| <b>Significant Accounting Policies</b>   | 1        |                                      |                                      |
| "The notes referred to above form an integral part of Financial Statements"        |          |                                      |                                      |

As per our attached report of even date

**For and behalf of the Board**
**For M/s. Rajeev Shah & Co.,  
Chartered Accountants**
**(CA Rajesh A. Mody)**  
**Partner Membership No.: 047501**  
**Firm Registration No. 108346W**

 Sd/-  
**Sanjay S. Gadodia**  
 (Chairman/CEO)  
**DIN - 00203433**

 Sd/-  
**Danny F. Hansotia**  
 (Managing Director/CFO)  
**DIN - 00203497**

 Place :- Mumbai  
 Date : 25th May, 2018

 Place :- Mumbai  
 Date : 25th May, 2018

**Nutan Bidye**  
 Company Secretary  
**ACS NO. 55068**



**CASH FLOW STATEMENT**  
ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2018 (Amount in Rs.)

|   | As at 31 March 2018 |                     | As at 31 March 2017 |                     |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |                     |                     |                     |                     |
| Net Profit/(Loss) before tax and extraordinary items                |                     | 25,749,574          |                     | 24,932,872          |
| Adjustments for :   |                     |                     |                     |                     |
| Depreciation  | 13,142,077          |                     | 9,461,644           |                     |
| Amortisation  | 39,720              |                     | 52,972              |                     |
| Non Cash Items - others   | (107,786)           |                     | 951,894             |                     |
| Interest income   | (3,625,859)         |                     | (5,099,651)         |                     |
| Finance Cost  | 15,910,570          |                     | 13,967,402          |                     |
| Dividend income   | (32,570)            |                     | (31,327)            |                     |
| (Profit) / Loss on Sale of Fixed Assets                             | 48,778              |                     | (47,669)            |                     |
| (Gain)/Loss on Fair value of investments                            | (273,962)           |                     | (599,061)           |                     |
|   |                     | 25,100,967          |                     | 18,656,204          |
| Operating Profit before Working Capital Changes                     |                     | <b>50,850,542</b>   |                     | <b>43,589,076</b>   |
| Adjustments for :   |                     |                     |                     |                     |
| (Increase) / decrease in inventories                                | (12,564,120)        |                     | (15,836,897)        |                     |
| (Increase) / decrease in Trade receivable                           | (47,255,250)        |                     | 12,799,256          |                     |
| (Increase) / decrease in Financial assets                           | 3,351,030           |                     | (2,176,936)         |                     |
| (Increase) / decrease in other current assets                       | (3,501,936)         |                     | (1,535,403)         |                     |
| Increase / (decrease) in trade payable                              | 17,932,442          |                     | (4,286,909)         |                     |
| Increase / (decrease) in financial liabilities                      | 229,762             |                     | 692,277             |                     |
| Increase / (decrease) in provisions                                 | 149,068             |                     | (276,083)           |                     |
| (Increase) / decrease in other current liabilities                  | 1,574,648           | (40,084,356)        | 457,577             | (10,163,118)        |
|   |                     | 10,766,185          |                     | 33,425,957          |
| <b>Cash generated from / used in operations</b>                     |                     |                     |                     |                     |
| Direct Taxes paid   |                     | (5,725,612)         |                     | (8,990,140)         |
| <b>Net cash generated from / (used in) operating activities (A)</b> |                     | <b>5,040,573</b>    |                     | <b>24,435,817</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |                     |                     |                     |                     |
| Purchase of Fixed Assets including CWIP                             | -                   |                     | -                   |                     |
| Purchase/ Sale of Fixed Assets                                      | (99,513,710)        |                     | (12,202,391)        |                     |
| Advance for Fixed Assets  | -                   |                     | -                   |                     |
| Movement in Non Current Investments                                 | -                   |                     | -                   |                     |
| Movement in Current Investments                                     | -                   |                     | -                   |                     |
| (Increase) / decrease in Long term loans and advances               | 935,171             |                     | (2,038,985)         |                     |
| (Investment in)/Maturities of Fixed Deposits                        | 26,195,204          |                     | (9,956,183)         |                     |
| Dividend income   | 32,570              |                     | 26,226              |                     |
| Interest income   | 3,625,859           | (68,724,906)        | 5,099,651           | (19,071,682)        |
| <b>Net cash (used) in investing activities (B)</b>                  |                     | <b>(68,724,906)</b> |                     | <b>(19,071,682)</b> |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |                     |                     |                     |                     |
| Interest paid   | (15,910,570)        |                     | (13,967,402)        |                     |
| Dividends paid  | (4,325,201)         |                     | (3,992,493)         |                     |
| Net increase / (decrease) in long term borrowings                   | 50,791,571          |                     | 3,958,231           |                     |
| Net increase / (decrease) in Short term Borrowings                  | 32,518,233          | 63,074,033          | 6,658,494           | (7,343,170)         |
| <b>Net cash (used in) from financing activities (C)</b>             |                     | <b>63,074,033</b>   |                     | <b>(7,343,170)</b>  |
| Net Cash Flow for the year  |                     | <b>(610,299)</b>    |                     | <b>(1,979,034)</b>  |
| Cash and cash Equivalents as at 31.03.2017                          |                     | <b>2,884,166</b>    |                     | <b>4,863,199</b>    |
| Cash and cash Equivalents as at 31.03.2018                          |                     | <b>2,273,866</b>    |                     | <b>2,884,166</b>    |



**SPENTA INTERNATIONAL LIMITED**

**CASH FLOW STATEMENT**

**ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2018**

Note : 1) The Cash Flow Statements has been prepared under the "Indirect Method" as set out in Accounting Standard - 7 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

2) Previous years figures have been regrouped / rearranged wherever necessary.

As per our attached report of even date

**For and behalf of the Board**

**For M/s. Rajeev Shah & Co.,  
Chartered Accountants**

**(CA Rajesh A. Mody)  
Partner Membership No.: 047501  
Firm Registration No. 108346W**

Sd/-  
**Sanjay S. Gadodia**  
(Chairman/CEO)  
**DIN - 00203433**

Sd/-  
**Danny F. Hansotia**  
(Managing Director/ CFO)  
**DIN - 00203497**

Place :- Mumbai  
Date : 25th May, 2018

Place :- Mumbai  
Date : 25th May, 2018

**Nutan Bidye**  
Company Secretary  
**ACS NO. 55068**



## SPENTA INTERNATIONAL LIMITED

Summary of the significant accounting policies and other explanatory information for the year ended 31 March 2018

### Note 1: Significant Accounting Policies

#### Company Overview

Spenta International Limited (The Company) is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company is engaged in manufacturing and trading of socks.

#### 1) Significant Accounting Policies

##### a) Basis for preparation of financial Statements

These financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all periods up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives, prepared under Ind AS. The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at 1st April, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by Ind AS 101 "First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 49. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2016 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 1st April, 2016 as required by Ind- AS 101. The financial statements of the Company for the year ended 31st March, 2018 has been approved by the Board of Directors in their meeting held on 25TH May, 2018.

##### b) Basis of measurement

The Company maintains accounts on accrual basis following the historical cost convention, except for followings:

- Certain Financial Assets and Liabilities is measured at Fair value/ Amortized cost (refer accounting policy regarding financial instruments);
- Defined Benefit Plans – Plan assets measured at fair value.

##### c) Functional and Presentation Currency

The Financial Statements are presented in Indian Rupee (INR), which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

##### d) Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

##### e) Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to

the Companies Act, 2013 (“the Act”). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

**f) Operating Cycle for current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

**g) Measurement of Fair Values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**h) New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below:**

On 28th March, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contracts with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from 1st April 2018.

➤ **Ind AS 115-Revenue from Contracts with Customers**

Ind AS 115 supersedes Ind AS 11, Construction Contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers.

The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to the customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Based on preliminary assessment performed by the Company, the impact of the application of the standard is not expected to be material.

➤ **Amendment to Existing issued Ind AS**

Ind AS 12 - Income Taxes

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

Ind AS 28 - Investment in Associates and Joint Ventures

Ind AS 112 - Disclosure of Interests in Other Entities

The impact of the above standards on the financial statements, as assessed by the Company, is not expected to be material.

**l) Inventories**

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is measured by including, unless specifically mentioned below, cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Cost is ascertained on First in First out basis for all inventories except for by products and scrap materials which are valued at net realizable value.

**j) Cash And Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, term deposits and other short-term highly liquid investment.

**k) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in the statement of profit & loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**l) Current Tax**

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

**m) Deferred Tax**

➤ Deferred Tax assets and liabilities is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

➤ Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also

recognized for carry forward of unused tax losses and unused tax credits.

- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

**n) Property, plant and equipment (including Capital work-in-progress)**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance expenses are charged to profit or loss during the reporting period in which they are incurred.

Assets acquired but not ready for use are classified under Capital work in progress and are stated at cost comprising direct cost and related incidental expenses.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 01 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**o) Depreciation and Amortization**

- Depreciation on Property, Plant & Equipment is provided on Straight Line Method in terms of life span of assets prescribed in Schedule II of the Companies Act, 2013 or as reassessed by the Company based on the technical evaluation.
- In case the cost of part of tangible asset is significant to the total cost of the assets and useful life of that part is different from the remaining useful life of the asset, depreciation has been provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers, which the management believes that the useful lives of the component best represent the period over which it expects to use those components
- Depreciation on Fixed Assets has been provided on Straight - Line Method (SLM) in accordance with the rates prescribed under Schedule II of the Companies Act, 2013 over the life of the assets.

**p) Revenue recognition**

Revenue is recognized based to the extent it is probable that the economic benefit will flow to the company and revenue can be reliably measured regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, and excludes taxes & duties collected on behalf of the Government and is reduced for estimated customer returns, rebates and other similar allowances.

**q) Sale Of Product**

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and significant risk and reward incidental to sale of products is transferred to the buyer, usually on delivery of the goods.



**r) Revenue from rendering of services**

Revenue from rendering of services is recognized on pro-rata basis over the period of contract and when the performance of agreed contractual task has been completed.

**s) Other Income**

➤ Interest Income: For all debt instruments measured either at amortized cost or at fair value through other comprehensive income (FVTOCI), interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

➤ Dividend Income: Dividend income is accounted in the period in which the right to receive the same is established.

➤ Other Income: Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

**t) Employee Benefits**

➤ Short Term Benefits: Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

➤ Other Long Term Employee Benefits: The liabilities for earned/privilege leave that are not expected to be settled wholly within twelve months are measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation. Remeasurements as the result of experience adjustment and changes in actuarial assumptions are recognized in statement of profit and loss.

➤ Post-Employment Benefits: The Company operates the following post-employment schemes

Defined Contribution Plan: Defined contribution plans such as Provident Fund, Employee State Insurance etc. are charged to the statement of profit and loss as and when incurred and paid to Authority.

Defined Benefit Plans: The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurements recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

**u) Foreign Currency Transactions:**

➤ Foreign currency (other than the functional currency) transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

➤ Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.

➤ Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

#### **v) Borrowing Costs:**

➤ Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowings of funds. Borrowing costs also includes foreign exchange difference to the extent regarded as an adjustment to the borrowing costs.

➤ Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of the cost of that asset that necessarily takes a substantial period of time to complete and prepare the asset for its intended use or sale.

➤ Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

#### **w) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

➤ Financial Assets :

##### **1. Recognition and Initial Measurement:**

All financial assets are initially recognized when the company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **2. Classification and Subsequent Measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Measured at Amortized Cost
- o Measured at Fair Value Through Other Comprehensive Income (FVTOCI)
- o Measured at Fair Value Through Profit or Loss (FVTPL); and
- o Equity Instruments designated at Fair Value through Other Comprehensive Income (FVTOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets

o Measured at Amortized Cost: A debt instrument is measured at the amortized cost if both the following conditions are met

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade receivables, cash and bank balances, loans and other financial assets of the company

o Measured at FVTP : FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Equity instruments which are, held for trading are classified as at FVTPL.

### **3. Derecognition:**

The Company derecognizes a financial asset on trade date only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity

### **4. Impairment of Financial Assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The company recognizes impairment loss for trade receivables that do not constitute a financing transaction using expected credit loss model, which involves use of a provision matrix constructed on the basis of historical credit loss experience. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### **➤ Financial Liabilities:**

#### **1. Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### **2. Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

#### **3. Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

### **x) Earnings Per Share:**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders adjusted for the effects of potential equity shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**y) Impairment of Non-Financial Assets:**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

**z) Provisions, Contingent Liabilities and Contingent Assets****➤ Provisions**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**➤ Contingent Liabilities**

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

**➤ Contingent Assets**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

**aa) Intangible Assets:****➤ Recognition and Measurement**

Intangible asset are stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

**➤ Amortization**

1. Software's are amortized over a period of three years.
2. The amortization period and the amortization method are reviewed at least at the end of each financial year. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly.

**bb) Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

The Company has identified one reportable segment "Knitted Socks" based on the information reviewed by the CODM.

**cc) Significant Judgments And Key Sources Of Estimation In Applying Accounting Policies**

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

**➤ Recognition of Deferred Tax Assets:**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

**➤ Classification of Leases:**

The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

**➤ Defined Benefit Obligation (DBO):**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning

future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.

**➤ Provisions and Contingencies:**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.

**➤ Impairment of Financial Assets:**

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**➤ Allowances for Doubtful Debts:**

The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

**➤ Fair value measurement of financial Instruments:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility



**SPENTA INTERNATIONAL LIMITED**

**Note No. 2 Property, Plant & Equipment** Notes forming part of the financial statements as at and for the year ended March 31, 2018  
(Amount in Rs.)

| PARTICULARS                     | G R O S S B L O C K |                    |                  | D E P R E C I A T I O N |                     |                        |                   | N E T B L O C K     |                     |
|---------------------------------|---------------------|--------------------|------------------|-------------------------|---------------------|------------------------|-------------------|---------------------|---------------------|
|                                 | As at<br>01/04/2017 | Additions          | Deductions       | As at<br>31/03/2018     | As at<br>01/04/2017 | Sales /<br>Adjustments | For the<br>period | As at<br>31/03/2018 | As at<br>31/03/2017 |
| <b>TANGIBLE ASSETS</b>          |                     |                    |                  |                         |                     |                        |                   |                     |                     |
| 1 Freehold Land                 | 6,236,894           | -                  | -                | 6,236,894               | -                   | -                      | -                 | -                   | 6,236,894           |
| 2 Buildings & Civil Works       | 21,933,306          | -                  | -                | 21,933,306              | 9,569,292           | -                      | 712,747           | 10,282,039          | 11,651,267          |
| 3 Old Factory Shed              | 603,272             | -                  | -                | 603,272                 | 193,713             | -                      | 21,078            | 214,791             | 388,481             |
| 4 New Factory Shed              | 934,792             | -                  | -                | 934,792                 | 233,888             | -                      | 29,735            | 263,623             | 671,169             |
| 5 Office Premises               | 24,705,500          | -                  | -                | 24,705,500              | 820,218             | -                      | 808,929           | 1,629,147           | 23,076,353          |
| 6 Plant & Machinery             | 163,331,345         | 13,627,733         | -                | 176,959,078             | 130,770,938         | -                      | 8,063,958         | 138,834,896         | 38,124,182          |
| 7 Office Equipments             | 1,023,612           | 156,360            | -                | 1,179,972               | 884,160             | -                      | 77,720            | 961,880             | 218,092             |
| 8 Computer                      | 1,791,675           | 70,801             | -                | 1,862,476               | 1,675,664           | -                      | 112,316           | 1,787,980           | 74,496              |
| 9 Furniture and Fixtures        | 6,407,263           | 507,385            | -                | 6,914,648               | 2,979,150           | -                      | 564,994           | 3,544,144           | 3,370,504           |
| 10 Misc. Fixed Assets           | 19,341,815          | 2,472,821          | -                | 21,814,636              | 16,874,949          | -                      | 507,676           | 17,382,625          | 4,432,011           |
| 11 Vehicles                     | 10,697,051          | -                  | 916,275          | 9,780,776               | 5,164,859           | 417,497                | 1,222,240         | 5,969,602           | 3,811,174           |
| 12 Flat at Palghar              | 698,910             | -                  | -                | 698,910                 | 159,034             | -                      | 27,994            | 187,028             | 511,882             |
| 13 Flat at Lodha                | -                   | 83,594,885         | -                | 83,594,885              | -                   | -                      | 992,690           | 992,690             | 82,602,196          |
| <b>Total</b>                    | <b>257,705,435</b>  | <b>100,429,985</b> | <b>916,275</b>   | <b>357,219,145</b>      | <b>169,325,865</b>  | <b>417,497</b>         | <b>13,142,077</b> | <b>182,050,444</b>  | <b>175,168,701</b>  |
| <b>Previous year</b>            | <b>245,501,944</b>  | <b>17,292,766</b>  | <b>5,090,375</b> | <b>257,704,335</b>      | <b>161,402,265</b>  | <b>1,131,081</b>       | <b>9,054,681</b>  | <b>169,325,865</b>  | <b>88,378,470</b>   |
| <b>Capital Work-in-Progress</b> | -                   | -                  | -                | -                       | -                   | -                      | -                 | -                   | -                   |
| <b>Previous year</b>            | -                   | -                  | -                | -                       | -                   | -                      | -                 | -                   | -                   |

Notes forming part of the financial statements as at and for the year ended March 31, 2018

2.1 As permitted by para D5-D8B of Ind AS 101, the Company has elected to measure items of property, plant and equipment at its carrying value as Deemed cost at the transition date as on 1st April 2016.

(Amount in Rs.)

| PARTICULARS               | G R O S S B L O C K |                   |                  |                     | D E P R E C I A T I O N |                        |                   |                     | N E T B L O C K      |                     |
|---------------------------|---------------------|-------------------|------------------|---------------------|-------------------------|------------------------|-------------------|---------------------|----------------------|---------------------|
|                           | As at<br>01/04/2016 | Additions         | Deductions       | As at<br>31/03/2017 | As at<br>01/04/2016     | Sales /<br>Adjustments | For the<br>period | As at<br>31/03/2017 | As at<br>31/03/2017  | As at<br>31/03/2016 |
| <b>TANGIBLE ASSETS</b>    |                     |                   |                  |                     |                         |                        |                   |                     |                      |                     |
| 1 Freehold Land           | 6,236,894           | -                 | -                | 6,236,894           | -                       | -                      | -                 | -                   | 6,236,894            | 6,236,894           |
| 2 Buildings & Civil Works | 21,933,306          | -                 | -                | 21,933,306          | 8,856,546               | -                      | 712,746           | 9,569,292           | 12,364,014           | 13,076,760          |
| 3 Old Factory Shed        | 603,272             | -                 | -                | 603,272             | 172,636                 | -                      | 21,077            | 193,713             | 409,559              | 430,636             |
| 4 New Factory Shed        | 934,792             | -                 | -                | 934,792             | 204,153                 | -                      | 29,735            | 233,888             | 700,904              | 730,639             |
| 5 Office Premises         | 24,705,500          | -                 | -                | 24,705,500          | 11,289                  | -                      | 808,929           | 820,218             | 23,885,282           | 24,694,211          |
| 6 Plant & Machinery       | 153,201,164         | 13,730,181        | 3,600,000        | 163,331,345         | 126,280,811             | 568,665                | 5,058,792         | 130,770,938         | 32,560,407           | 26,920,353          |
| 7 Office Equipments       | 1,023,612           | -                 | -                | 1,023,612           | 836,150                 | -                      | 48,010            | 884,160             | 139,452              | 187,462             |
| 8 Computer                | 1,733,273           | 58,402            | -                | 1,791,675           | 1,603,168               | -                      | 72,496            | 1,675,664           | 116,011              | 130,105             |
| 9 Furniture and Fixtures  | 6,386,263           | 21,000            | -                | 6,407,263           | 2,348,778               | -                      | 630,372           | 2,979,150           | 3,428,113            | 4,037,485           |
| 10 Misc. Fixed Assets     | 18,760,145          | 581,670           | -                | 19,341,815          | 16,584,379              | 57,291                 | 347,861           | 16,874,949          | 2,466,866            | 2,175,766           |
| 11 Vehicles               | 9,285,913           | 2,901,513         | 1,490,375        | 10,697,051          | 4,373,315               | 505,125                | 1,296,669         | 5,164,859           | 5,532,192            | 4,912,598           |
| 12 Flat at Palghar        | 698,910             | -                 | -                | 697,810             | 131,040                 | -                      | 27,994            | 159,034             | 538,776              | 567,870             |
| <b>Total</b>              | <b>245,503,044</b>  | <b>17,292,766</b> | <b>5,090,375</b> | <b>257,704,335</b>  | <b>161,402,265</b>      | <b>1,131,081</b>       | <b>9,054,681</b>  | <b>169,325,865</b>  | <b>88,378,470.41</b> | <b>84,100,779</b>   |
| <b>Previous year</b>      | <b>208,617,239</b>  | <b>36,884,705</b> | <b>-</b>         | <b>245,501,944</b>  | <b>152,168,314</b>      | <b>-</b>               | <b>9,176,661</b>  | <b>161,402,265</b>  | <b>84,100,779</b>    | <b>56,448,925</b>   |

**SPENTA INTERNATIONAL LIMITED**

Notes forming part of Financial Statements as at and for the year ended March 31, 2018

**3) INVESTMENT PROPERTY**

| Particulars       | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|-------------------|-------------------------|-------------------------|------------------------|
| Flats at Palghar* | 11,387,983              | 11,387,983              | 11,387,983             |
| <b>TOTAL</b>      | <b>11,387,983</b>       | <b>11,387,983</b>       | <b>11,387,983</b>      |

\*Company has not yet received possession of properties and it is still work-in-progress. Hence, there is no depreciation provided on Investment property.

**Fair value**

|                     |            |
|---------------------|------------|
| As at 01 April 2016 | 10,377,699 |
| As at 31 March 2017 | 10,585,253 |
| As at 31 March 2018 | 10,744,032 |

Investment properties valued at Rs. 1,07,44,032 are pledged as security for related borrowings (31 March 2017: Rs. 1,05,85,253).

**Valuation process**

The best evidence of fair value is current price in an active market for similar properties. Where such information is not available, Company considers current price in an active market for properties of different nature or recent prices of similar properties in less active market, adjusted to reflect those differences. We have considered rates available from property market websites to arrive at fair value. They are classified as level 1 fair values in the fair value hierarchy.

**4) LONG TERM LOANS AND ADVANCES**

(Amount in Rs.)

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Unsecured, considered good unless otherwise stated<br>Advance to Job Workers | 2,650,000               | -                       | -                      |
| <b>TOTAL</b>   | <b>2,650,000</b>        | <b>-</b>                | <b>-</b>               |

**5) DEFERRED TAX ASSETS (NET)**

(Amount in Rs.)

| Particulars                             | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Deferred Tax Asset - Opening            | (4,211,890)             | (5,600,956)             | (3,543,043)            |
| <b>Deferred Tax Asset for the year</b>  | <b>1,815,514</b>        | <b>1,389,066</b>        | <b>(2,057,913)</b>     |
| <b>Total</b>                            | <b>(2,396,377)</b>      | <b>(4,211,890)</b>      | <b>(5,600,956)</b>     |
| Deferred Tax Liability / (Assets) (Net) | (2,396,377)             | (4,211,890)             | (5,600,956)            |
| <b>TOTAL</b>                            | <b>(2,396,377)</b>      | <b>(4,211,890)</b>      | <b>(5,600,956)</b>     |

**6) OTHER NON CURRENT ASSETS**

(Amount in Rs.)

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Deferred Expenses not written off                            | -                       | 39,720                  | 92,692                 |
| Adv. Tax - AY 2003-04 to AY 2017-18 Net of Provision for Tax | 12,172,646              | 11,682,506              | 7,403,368              |
| Capital Advance - Purchase of Fixed Assets                   | 11,981,926              | 17,828,117              | 17,729,128             |
| <b>TOTAL</b>   | <b>24,154,572</b>       | <b>29,550,343</b>       | <b>25,225,188</b>      |



**SPENTA INTERNATIONAL LIMITED**
**CURRENT ASSETS**
**7) INVENTORIES**

| Particulars                             | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| <b>Stock in Hand</b>                    |                         |                         |                        |
| Raw Materials                           | 27,906,200              | 24,277,811              | 10,505,341             |
| Raw Materials - Job Work                | 2,745,433               | 18,133,571              | 19,280,489             |
| Finished Goods                          | 27,520,589              | 25,611,360              | 18,956,227             |
| Packing Materials                       | 24,125,743              | 1,711,103               | 5,154,891              |
| Stores & Spares (Including Consumables) | 800,000                 | 800,000                 | 800,000                |
| <b>TOTAL</b>                            | <b>83,097,965</b>       | <b>70,533,845</b>       | <b>54,696,948</b>      |

**FINANCIAL ASSETS**
**8) CURRENT INVESTMENT**

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| <b>Investment in Equity shares of Domestic Companies</b>  |                         |                         |                        |
| (a) Traded, Quoted  |                         |                         |                        |
| i) ACC Ltd<br>300 (Previous Year 300) Equity<br>Shares of face value of Rs.10 each fully paid up  | 452,460                 | 456,301                 | 431,554                |
| ii) Century Textile Ltd<br>100 (Previous Year 100) Equity<br>Shares of face value of Rs.10 each fully paid up                                 | 114,525                 | 110,782                 | 55,720                 |
| iii) Tata Global Beverages Ltd (formerly Tata Tea Ltd)<br>4434 (Previous Year 4434) Equity<br>Shares of face value of Rs.1 each fully paid up | 1,145,967               | 700,691                 | 559,142                |
| iv) Engineers India Ltd<br>1000 (Previous Year 1000) Equity<br>Shares of face value of Rs. 5 each fully paid up                               | 158,100                 | 151,822                 | 88,720                 |
| v) Tata Motors Ltd<br>1500 (Previous Year 1500) Equity<br>Shares of face value of Rs.2 each fully paid up                                     | 491,175                 | 735,101                 | 603,889                |
| vi) Tata Steel Ltd<br>1050 (Previous Year 1050) Equity<br>Shares of face value of Rs. 10 each fully paid up                                   | 599,445                 | 533,013                 | 349,624                |
|   | <b>2,961,672</b>        | <b>2,687,710</b>        | <b>2,088,649</b>       |
| <b>(b) Intercorporate Deposit</b>   | 5,000,000               | 5,000,000               | 5,000,000              |
|   | <b>5,000,000</b>        | <b>5,000,000</b>        | <b>5,000,000</b>       |
|   | <b>7,961,672</b>        | <b>7,687,710</b>        | <b>7,088,649</b>       |

**SPENTA INTERNATIONAL LIMITED**
**9) TRADE RECEIVABLES**

| Particulars                            | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| <b>(Unsecured and Considered Good)</b> |                         |                         |                        |
| Over 6 months & above                  | 1,979,919               | 105,660                 | 1,062,324              |
| Others                                 | 102,543,247             | 57,162,256              | 69,004,847             |
| <b>TOTAL</b>                           | <b>104,523,166</b>      | <b>57,267,916</b>       | <b>70,067,171</b>      |

**10) CASH AND CASH EQUIVALENTS**

| Particulars            | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|------------------------|-------------------------|-------------------------|------------------------|
| <b>Cash on hand</b>    |                         |                         |                        |
| Balances with banks    | 1,161,605               | 195,897                 | 1,716,254              |
| i) In current accounts | 636,691                 | 402,099                 | 3,146,945              |
| <b>TOTAL</b>           | <b>1,798,296</b>        | <b>597,995</b>          | <b>4,863,199</b>       |

**11) BANK BALANCE OTHER THAN ABOVE**

| Particulars                         | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|-------------------------------------|-------------------------|-------------------------|------------------------|
| <b>ii) In Fixed Deposit Account</b> |                         |                         |                        |
| - Maturity with more than 12 months | -                       | -                       | -                      |
| - Maturity within 12 months         | 39,032,876              | 65,228,080              | 55,271,897             |
| <b>TOTAL</b>                        | <b>39,032,876</b>       | <b>65,228,080</b>       | <b>55,271,897</b>      |

**12) SHORT TERM LOANS AND ADVANCES**

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| <b>Advances to Employees</b>                              |                         |                         |                        |
| - Unsecured Considered good                               | 1,292,238               | 797,238                 | 919,238                |
| Loans And Advances To Corporate & Others ( Capital Goods) | 1,156,469               | 5,893,220               | 3,383,891              |
| <b>TOTAL</b>  | <b>2,448,707</b>        | <b>6,690,458</b>        | <b>4,303,129</b>       |

**13) OTHER FINANCIAL ASSETS**

| Particulars         | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---------------------|-------------------------|-------------------------|------------------------|
| <b>Deposits</b>     |                         |                         |                        |
| Interest Receivable | 1,760,795               | 1,508,190               | 1,468,190              |
| Other Receivable    | 2,932,033               | 2,655,700               | 2,906,093              |
|                     | 361,783                 | -                       | -                      |
| <b>TOTAL</b>        | <b>5,054,611</b>        | <b>4,163,890</b>        | <b>4,374,283</b>       |

**14) OTHER CURRENT ASSETS**

| Particulars                                      | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| <b>Advance To Suppliers</b>                      |                         |                         |                        |
| Other Receivables                                | 3,086,763               | 1,536,839               | 1,806,506              |
| Statutory & Other Receivables (TDS / GST / MVAT) | 272,917                 | 1,791,782               | 27,314                 |
|  | 3,961,017               | 490,140                 | 449,538                |
| <b>TOTAL</b>                                     | <b>7,320,697</b>        | <b>3,818,761</b>        | <b>2,283,358</b>       |



**EQUITY**
**15) EQUITY SHARE CAPITAL**
**(Amount in Rs.)**

| Particulars                                    | As at<br>March 31, 2018 |                   | As at<br>March 31, 2017 |                   | As at<br>April 1, 2016 |                   |
|--|-------------------------|-------------------|-------------------------|-------------------|------------------------|-------------------|
|  | No. of Shares           | (Amt. in Rs.)     | No. of Shares           | (Amt. in Rs.)     | No. of Shares          | (Amt. in Rs.)     |
| <b>Authorised Capital</b>                      |                         |                   |                         |                   |                        |                   |
| Equity shares of Rs.10 each with voting rights | 3,500,000               | 35,000,000        | 3,500,000               | 35,000,000        | 3,500,000              | 35,000,000        |
| Issued Share Capital                           |                         |                   |                         |                   |                        |                   |
| Equity shares of Rs.10 each                    | 2,764,326               | 27,643,260        | 2,764,326               | 27,643,260        | 2,764,326              | 27,643,260        |
| Subscribed and fully paid - up                 |                         |                   |                         |                   |                        |                   |
| Equity shares of Rs.10 each                    | 2,764,326               | 27,643,260        | 2,764,326               | 27,643,260        | 2,764,326              | 27,643,260        |
| <b>Total</b>                                   | <b>2,764,326</b>        | <b>27,643,260</b> | <b>2,764,326</b>        | <b>27,643,260</b> | <b>2,764,326</b>       | <b>27,643,260</b> |

**a. Reconciliation of equity shares and amounts outstanding**
**(Amount in Rs.)**

| Particulars  | As at<br>March 31, 2018 |                   | As at<br>March 31, 2017 |                   | As at<br>April 1, 2016 |                   |
|--|-------------------------|-------------------|-------------------------|-------------------|------------------------|-------------------|
|  | No. of Shares           | (Amt. in Rs.)     | No. of Shares           | (Amt. in Rs.)     | No. of Shares          | (Amt. in Rs.)     |
| <b>At the beginning of the year</b>                  | 2,764,326               | 27,643,260        | 2,764,326               | 27,643,260        | 2,764,326              | 27,643,260        |
| Add : Allotment money received                       | -                       | -                 | -                       | -                 | -                      | -                 |
| Less : Shares cancelled on buy back of Equity Shares | -                       | -                 | -                       | -                 | -                      | -                 |
| <b>At the end of the year</b>                        | <b>2,764,326</b>        | <b>27,643,260</b> | <b>2,764,326</b>        | <b>27,643,260</b> | <b>2,764,326</b>       | <b>27,643,260</b> |

**b. Terms /rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.10. The equity shares have rights, preferences and restrictions which are in accordance provisions of law, in particular the Companies Act, 2013.

**c. Details of shareholders holding more than 5 % shares in the Company.**
**(Amount in Rs.)**

| Particulars               | As at<br>March 31, 2018 |              | As at<br>March 31, 2017 |              | As at<br>April 1, 2016 |              |
|---------------------------|-------------------------|--------------|-------------------------|--------------|------------------------|--------------|
|                           | No. of Shares           | % of Holding | No. of Shares           | % of Holding | No. of Shares          | % of Holding |
| <b>1. Danny Hansotia</b>  | 690,277                 | 24.97%       | 690,277                 | 24.97%       | 690,277                | 24.97%       |
| <b>2. Sanjay Gadodia</b>  | 643,133                 | 23.27%       | 643,133                 | 23.27%       | 643,133                | 23.27%       |
| <b>3. Sandeep Gadodia</b> | 164,307                 | 5.94%        | 164,307                 | 5.94%        | 164,307                | 5.94%        |

**16) OTHER EQUITY**
**(Amount in Rs.)**

| Particulars                          | As at<br>March 31, 2018 |                    | As at<br>March 31, 2017 |                    | As at<br>April 1, 2016 |                    |
|--------------------------------------|-------------------------|--------------------|-------------------------|--------------------|------------------------|--------------------|
|                                      | No. of Shares           | (Amt. in Rs.)      | No. of Shares           | (Amt. in Rs.)      | No. of Shares          | (Amt. in Rs.)      |
| <b>a) Retained earnings</b>          |                         | 217,147,725        |                         | 203,039,903        |                        | 190,128,058        |
| <b>b) Other comprehensive income</b> |                         | (494,945)          |                         | (290,393)          |                        | -                  |
| <b>TOTAL</b>                         |                         | <b>216,652,779</b> |                         | <b>202,749,509</b> |                        | <b>190,128,058</b> |

**a) Retained earnings**

| Particulars   | As at<br>March 31, 2018 |                    | As at<br>March 31, 2017 |                    |
|---|-------------------------|--------------------|-------------------------|--------------------|
|   | No. of Shares           | (Amt. in Rs.)      | No. of Shares           | (Amt. in Rs.)      |
| <b>Balance at the beginning of the year</b>               |                         | 203,039,903        |                         | 190,128,058        |
| <b>Add: Profit for the year</b>                           |                         | 18,433,023         |                         | 16,904,337         |
| <b>Less: Dividend including Dividend Distribution Tax</b> |                         | (4,325,201)        |                         | (3,992,493)        |
| <b>Balance at the end of the year</b>                     |                         | <b>217,147,725</b> |                         | <b>203,039,903</b> |

**b) Other comprehensive income**

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year                          | (290,393)               | -                       |
| Add: Remeasurement of Defined Benefit Obligation (Net of tax) | (204,552)               | (290,393)               |
| Balance at the end of the year                                | (494,945)               | (290,393)               |

Notes forming part of the financial statements as at and for the year ended March 31, 2018

**LIABILITIES - NON CURRENT LIABILITIES**
**a) FINANCIAL LIABILITIES**
**17) BORROWINGS**
**(Amount in Rs.)**

| Particulars                             | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| a) Secured loan From Banks              |                         |                         |                        |
| Reliance Finance Ltd                    | 48,082,619              | -                       | -                      |
| Term Loan 1 From DCB Bank               | -                       | -                       | 1,465,082              |
| Term Loan 2 From DCB Bank               | 1,992,251               | 3,118,606               | 3,905,240              |
| Easy Business Term Loan 1 from DCB Bank | 15,941,076              | 17,846,258              | 19,231,369             |
| Easy Business Term Loan 2 from DCB Bank | 227,731                 | 667,771                 | 1,053,733              |
| Term Loan 2 from DCB Bank               | 14,161,549              | 7,981,020               | -                      |
| <b>TOTAL</b>                            | <b>80,405,226</b>       | <b>29,613,655</b>       | <b>25,655,424</b>      |

**Term Loan 1 :**

**Details of Security :-** Term loan from bank is taken from DCB Bank and secured by : a) Hypothecation of Machineries and Other Assets purchased under this term loan b) Equitable mortgage on the factory Land and Building of Plot nos. 13 to 16 standing in the name of the Company at Palghar and c) Personal Guarantees of Promoter Directors of the Company - Mr. Sanjay Gadodia and Mr. Danny Hansotia.

**Terms of Repayment :-** Loan to be repaid in equated monthly instalment beginning from December 2015 and ending on November 2019

**Easy Business Term Loan 1 :**

**Details of Security :-** Term loan from bank is taken from DCB Bank and secured by : a) Equitable mortgage of commercial property situated at B 1303 Naman midtown purchased under this term loan b) Equitable mortgage on the factory Land and Building of Plot nos. 13 to 16 standing in the name of the Company at Palghar and c) Personal Guarantees of Promoter Directors of the Company - Mr. Sanjay Gadodia and Mr. Danny Hansotia.

**Terms of Repayment :-** Loan to be repaid in equated monthly instalment beginning from August 2015 and ending on July 2025

**Easy Business Term Loan 2 :**

**Details of Security :-** Term loan from bank is taken from DCB Bank and secured by : a) Equitable mortgage of commercial property situated at B 1303 Naman midtown purchased under this term loan b) Hypothecation of furniture and fixtures purchased against this term loan c) Equitable mortgage on the factory Land and Building of Plot nos. 13 to 16 standing in the name of the Company at Palghar and d) Personal Guarantees of Promoter Directors of the Company - Mr. Sanjay Gadodia and Mr. Danny Hansotia.

**Terms of Repayment :-** Loan to be repaid in equated monthly instalment beginning from September 2015 and ending on August 2018

**SPENTA INTERNATIONAL LIMITED**
**Term Loan 2 :**

**Details of Security :-** Term loan from bank is taken from DCB Bank and secured by : a) Hypothecation of Machineries and Other Assets purchased under this term loan b) Equitable mortgage on the factory Land and Building of Plot nos. 13 to 16 standing in the name of the Company at Palghar and c) Personal Guarantees of Promoter Directors of the Company - Mr. Sanjay Gadodia and Mr. Danny Hansotia.

**Terms of Repayment :-** Loan to be repaid in 48 equated monthly instalment beginning from F Y 2016-17 and ending on F Y 2020-2021

**Reliance Finance Ltd. :-** Mortgage Loan Is Taken From Rfl And Secured By : A) Mortgage Of Property At Flat No 802 8Th Floor A Wing Lodha Evoq New Caffe Parade Wadala East Mumbai And B) Personal Guarantees Of Promoter Directors Of The Company - Mr. Sanjay Gadodia And Mr. Danny Hansotia.

**Notes forming part of the financial statements as at and for the year ended March 31, 2018**
**18) LONG TERM PROVISIONS**
**(Amount in Rs.)**

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Provision for employee benefits<br>- Provision for Gratuity | -<br>3,835,354          | 3,582,211               | 3,818,757              |
| <b>TOTAL</b>  | <b>3,835,354</b>        | <b>3,582,211</b>        | <b>3,818,757</b>       |

Provision for Gratuity is made on the assumption that such benefits are payable on termination of employment and method adopted for its calculation has been worked on Acturial Valuation basis.

**CURRENT LIABILITIES**
**FINANCIAL LIABILITIES**
**19) SHORT TERM BORROWINGS**
**(Amount in Rs.)**

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016   |
|--|-------------------------|-------------------------|--------------------------|
| a) Secured:<br>Working Capital Loans - Cash Credit<br>- Overdraft against Property | 71,612,359<br>8,920,134 | 41,044,126<br>6,970,134 | 29,937,143<br>11,418,624 |
| <b>TOTAL</b>   | <b>80,532,493</b>       | <b>48,014,260</b>       | <b>41,355,767</b>        |

**Details of Security:-** Working capital loans is taken from DCB Bank and the same is 1) secured by hypothecation of inventories and Book Debts, 2) Equitable mortgage on the factory Land and Buildings of Plot Nos. 13 to 16 standing in the name of the Company at Palghar, 3) Personal Guarantees of Promoter Directors of the Company - Mr. Sanjay Gadodia and Mr. Danny Hansotia and 4) Hypothecation of entire Plant & Machinery, Furniture and Fixtures including spares, tools and accessories etc.

**Details of Security:-** Working capital loans is taken from Citi Bank and the same is 1) Secured by First pari pasu charge by way of hypothecation on present and future stock and book debts of company 2) Bill discounting facility is with recourse to Company 3) Personal Guarantees of Promoter Directors of the Company - Mr. Sanjay Gadodia and Mr. Danny Hansotia

**20) TRADE PAYABLES**
**(Amount in Rs.)**

| Particulars                          | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--------------------------------------|-------------------------|-------------------------|------------------------|
| Micro and small enterprise<br>Others | -<br>49,145,592         | -<br>31,213,150         | -<br>35,500,059        |
| <b>TOTAL</b>                         | <b>49,145,592</b>       | <b>31,213,150</b>       | <b>35,500,059</b>      |

**DISCLOSURES UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT 2006.**

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Principal amount remaining unpaid to suppliers as at the end year.  | —                       | —                       | —                      |
| Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year end.                                 | —                       | —                       | —                      |
| Amount of the interest paid by the Company in terms of Section 16   | —                       | —                       | —                      |
| Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSM Act. | —                       | —                       | —                      |
| Amount of interest accrued and remaining unpaid at the end of the accounting year.  | —                       | —                       | —                      |

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, small and Medium Enterprises Development Act, 2006.

The Company has not received any such intimation during the year.

**21) OTHER FINANCIAL LIABILITIES**
**(Amount in Rs.)**

| Particulars                  | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|------------------------------|-------------------------|-------------------------|------------------------|
| Employee Related Liabilities | 4,382,486               | 4,208,386               | 3,516,109              |
| Others                       | 55,662                  | -                       | -                      |
| <b>TOTAL</b>                 | <b>4,438,148</b>        | <b>4,208,386</b>        | <b>3,516,109</b>       |

**22) OTHER CURRENT LIABILITIES**
**(Amount in Rs.)**

| Particulars                   | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|-------------------------------|-------------------------|-------------------------|------------------------|
| Other Current liabilities     | 761,952                 | -                       | -                      |
| Statutory dues payable        | 2,361,859               | 1,549,163               | 1,091,585              |
| Provision - Proposed Dividend | 4,197                   | 4,197                   | 4,197                  |
| <b>TOTAL</b>                  | <b>3,128,008</b>        | <b>1,553,360</b>        | <b>1,095,782</b>       |

**23) SHORT TERM PROVISIONS**
**(Amount in Rs.)**

| Particulars                     | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|---------------------------------|-------------------------|-------------------------|------------------------|
| Provision for Employee benefits | 1,214,761               | 940,650                 | 550,325                |
| <b>TOTAL</b>                    | <b>1,214,761</b>        | <b>940,650</b>          | <b>550,325</b>         |

**24) REVENUE FROM OPERATIONS**
**(Amount in Rs.)**

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| <b>Sale of products</b>                                 |                         |                         |
| Domestic sale - Socks                                   | 317,910,596             | 307,778,525             |
| Export sale & Entitlement - Third party Exports - Socks | 31,760,545              | 13,059,997              |
| Yarn Sale for Socks Purchase/Re-processing              | 20,377,129              | 36,401,459              |
| Sale of Wastage   | 42,468                  | 35,380                  |
| <b>TOTAL</b>  | <b>370,090,737</b>      | <b>357,275,361</b>      |

**SPENTA INTERNATIONAL LIMITED**
**25) OTHER INCOME**

(Amount in Rs.)

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| Interest Income                                     | 3,625,859               | 5,099,651               |
| Dividend  | 32,570                  | 31,327                  |
| Profit / (Loss) on sale of Fixed Assets             | (48,778)                | 47,669                  |
| Cash Discount                                       | 99,453                  | 54,589                  |
| Miscellaneous Income                                | 488,796                 | 79,992                  |
| Net gain/(loss) on Fair value of Equity instruments | 273,962                 | 599,061                 |
| Duty Drawback                                       | 1,654,837               | -                       |
| <b>TOTAL</b>  | <b>6,126,699</b>        | <b>5,912,288</b>        |

**26) Cost of Materials Consumed**

(Amount in Rs.)

| Particulars                           | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---------------------------------------|-------------------------|-------------------------|
| <b>(a) Raw Material Consumed</b>      |                         |                         |
| Opening Stocks                        | 24,277,811              | 19,280,489              |
| Add: Purchases                        | 158,883,990             | 136,620,331             |
|                                       | 183,161,801             | 155,900,820             |
| Less: Closing Stocks                  | 27,906,200              | 24,277,811              |
|                                       | <b>155,255,601</b>      | <b>131,623,009</b>      |
| <b>(b) Packing Material Consumed</b>  |                         |                         |
| Opening Stocks                        | 1,711,103               | 5,154,891               |
| Add: Purchases                        | 24,035,688              | 22,045,628              |
|                                       | 25,746,791              | 27,200,519              |
| Less: Closing Stocks                  | 2,745,433               | 1,711,103               |
|                                       | <b>23,001,358</b>       | <b>25,489,416</b>       |
| <b>(c) Job Work Material Consumed</b> |                         |                         |
| Opening Stocks                        | 18,133,571              | 10,505,341              |
| Add: Job Work charges                 | 47,736,216              | 33,787,551              |
|                                       | 65,869,787              | 44,292,892              |
| Less: Closing Stocks                  | 24,125,743              | 18,133,571              |
|                                       | <b>41,744,044</b>       | <b>26,159,321</b>       |
| <b>TOTAL</b>                          | <b>220,001,004</b>      | <b>183,271,745</b>      |

**27) PURCHASE OF STOCK IN TRADE**

(Amount in Rs.)

| Particulars          | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|----------------------|-------------------------|-------------------------|
| Traded Goods - Socks | 30,622,095              | 71,193,309              |
| <b>TOTAL</b>         | <b>30,622,095</b>       | <b>71,193,309</b>       |

**28) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE**

(Amount in Rs.)

| Particulars          | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|----------------------|-------------------------|-------------------------|
| Opening Stocks       |                         |                         |
| Finished Goods       | 25,611,360              | 18,956,227              |
| Spares & Consumables | 800,000                 | 800,000                 |
|                      | <b>26,411,360</b>       | <b>19,756,227</b>       |
| Less:                |                         |                         |
| Closing Stocks       |                         |                         |
| Finished Goods       | 27,520,589              | 25,611,360              |
| Spares & Consumables | 800,000                 | 800,000                 |
|                      | 28,320,589              | 26,411,360              |
| <b>TOTAL</b>         | <b>(1,909,229)</b>      | <b>(6,655,133)</b>      |

**SPENTA INTERNATIONAL LIMITED**
**29) EMPLOYEE BENEFITS EXPENSES**
**(Amount in Rs.)**

| Particulars                            | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--|-------------------------|-------------------------|
| Employees Salary & wages               | 13,656,946              | 13,790,571              |
| Contractors' Payments                  | 10,393,781              | 9,507,415               |
| Provident Fund Employer's Contribution | 1,373,438               | 1,179,980               |
| Gratuity to Employees                  | 763,972                 | 117,966                 |
| Bonus to Employees                     | 840,566                 | 828,170                 |
| ESIC Employer's Contribution           | 308,053                 | 71,655                  |
| <b>TOTAL</b>                           | <b>27,336,756</b>       | <b>25,495,757</b>       |

**30) FINANCE COST**
**(Amount in Rs.)**

| Particulars               | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---------------------------|-------------------------|-------------------------|
| Bank charges              | -                       | -                       |
| Interest paid             | -                       | -                       |
| 1) To Banks               |                         |                         |
| - On Term Loan            | 6,205,189               | 2,983,526               |
| - On Working Capital      | 4,954,028               | 4,369,937               |
| - On Inland Bill Purchase | -                       | -                       |
| 2) To Others              |                         |                         |
| - On Fixed Deposits       | -                       | -                       |
| - On Unsecured Loans      | -                       | -                       |
| - On Car Loans            | -                       | 1,195                   |
| 3) For Bill Discounting   | 4,751,354               | 6,612,744               |
| <b>TOTAL</b>              | <b>15,910,570</b>       | <b>13,967,402</b>       |

**32) POWER & FUEL COST**
**(Amount in Rs.)**

| Particulars          | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|----------------------|-------------------------|-------------------------|
| Power Cost - MSEDCL  | 13,692,630              | 12,661,910              |
| Diesel Cost - DG Set | 166,875                 | 132,079                 |
| <b>TOTAL</b>         | <b>13,859,505</b>       | <b>12,793,989</b>       |

**33) OTHER EXPENSES**
**(Amount in Rs.)**

| Particulars                                | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--|-------------------------|-------------------------|
| <b>a.MANUFACTURING EXPENSES</b>            |                         |                         |
| Carriage Inward                            | 1,790,042               | 2,480,851               |
| Commission on Purchase                     | 340,813                 | 316,597                 |
| Consumables Stores & Spares                | 1,139,681               | 841,701                 |
| Embroidery Charges                         | 6,700                   | 101,173                 |
| Factory Expenses                           | 259,300                 | 399,143                 |
| Hamali Charges                             | 62,736                  | 76,129                  |
| Labour Charges                             | -                       | -                       |
| Octroi Charges                             | -                       | -                       |
| Oil Purchases                              | 127,980                 | 124,690                 |
| Repair and Maintenance - Plant & Machinery | 2,119,316               | 1,579,466               |
| Staff Uniform Expenses                     | 5,680                   | 38,480                  |
| Service Tax on Transport charges           | 233,742                 | 251,636                 |
| Testing Charges                            | 237,899                 | 43,560                  |
| Washing Charges                            | 698,084                 | 437,755                 |
| Printing Charges                           | 35,000                  | 75,600                  |
|  | <b>7,056,972</b>        | <b>6,766,781</b>        |

**SPENTA INTERNATIONAL LIMITED**

| Particulars                                | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--|-------------------------|-------------------------|
| <b>b.SELLING AND DISTRIBUTION EXPENSES</b> |                         |                         |
| Business Promotion Expenses                | 299,598                 | 210,530                 |
| Carriage Outward                           | 5,820,869               | 5,067,285               |
| Claims & Shortages                         | 465,456                 | 327,349                 |
| Rent on Gala at Bhiwandi                   | 370,500                 | 300,000                 |
| Packing Material                           | 197,330                 | -                       |
| Sales Promotion Expenses                   | 304,302                 | 142,944                 |
|  | <b>7,458,054</b>        | <b>6,048,108</b>        |
| <b>c.ADMINISTRATIVE AND OTHER EXPENSES</b> |                         |                         |
| Advertisement & Publicity                  | 23,760                  | 33,091                  |
| Annual General Meeting Exp Acc             | 251,441                 | 114,016                 |
| Payment to Auditors                        | 236,000                 | 200,000                 |
| Bank Charges                               | 1,090,908               | 456,636                 |
| Car Insurance                              | 183,254                 | 198,245                 |
| Communication Expenses                     | 338,613                 | 336,703                 |
| Conveyance                                 | 159,824                 | 139,372                 |
| Courier & Postage Charges                  | 196,352                 | 161,661                 |
| Donation                                   | 31,101                  | 15,000                  |
| Director's remuneration                    | 6,125,000               | 6,000,000               |
| Electricity Expenses                       | 113,430                 | 104,099                 |
| Insurance                                  | 437,030                 | 478,527                 |
| Late Fee - Service Tax                     | -                       | 120,000                 |
| Legal & Professional Fees                  | 1,381,501               | 1,223,608               |
| Legal License Fees                         | 990,828                 | 423,185                 |
| Listing Fees                               | 287,500                 | 229,000                 |
| Prior Period Adjustment A/c.               | -                       | -                       |
| Membership & Subscription                  | 141,604                 | 170,685                 |
| Miscellaneous Expenses                     | 444,453                 | (108,301)               |
| Municipal Tax                              | 290,792                 | 270,547                 |
| Office Expenses                            | 85,325                  | 62,708                  |
| Printing & Stationery                      | 308,921                 | 208,897                 |
| Professional Tax                           | 2,500                   | 2,500                   |
| Repair & Maintenance                       | 321,964                 | 560,957                 |
| Salaries & Wages-office                    | -                       | -                       |
| Sales Tax                                  | 7,183                   | 889,107                 |
| Security Charges                           | 952,371                 | 1,092,096               |
| IT Expenses                                | 19,282                  | -                       |
| Training Fees                              | -                       | 31,625                  |
| Transfer Agent Fees                        | 227,148                 | 149,207                 |
| Travelling Expenses                        | 1,088,993               | 1,126,289               |
| Vehicles Running Expenses                  | 384,140                 | 389,839                 |
| Water Charges                              | 11,750                  | (1,255)                 |
| Welfare - Employees' benefits              | 817,371                 | 780,159                 |
|  | <b>16,950,338</b>       | <b>15,858,203</b>       |
| <b>TOTAL</b>                               | <b>31,465,365</b>       | <b>28,673,093</b>       |

**34) Tax Expenses**
**(Amount in Rs.)**

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--------------|-------------------------|-------------------------|
| Current Tax  | 5,400,000               | 6,500,000               |
| Deferred Tax | 1,916,551               | 1,528,534               |
| <b>Total</b> | <b>7,316,551</b>        | <b>8,028,534</b>        |



**SPENTA INTERNATIONAL LIMITED**

34.1 Reconciliation of estimated Income Tax expense at Indian statutory Income tax rate to income tax expense reported in statement of Profit & Loss

| Particulars   | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| Profit before income tax expense  | 25,749,574              | 24,932,872              |
| Estimated income tax expense  | 7,094,651               | 8,242,807               |
| Tax effect of adjustments to reconcile expected Income tax expense to reported Income tax expense |                         |                         |
| Expenses not Deductible   | 42,465                  | 79,706                  |
| Expenses deductible   | 13,440                  | (15,759)                |
| Exempt income   | (8,974)                 | (10,357)                |
| Others  | 174,969                 | (267,863)               |
| Total tax expense   | 7,316,551               | 8,028,534               |

**35) EARNINGS PER SHARE:**
**(Amount in Rs.)**

| Particulars                                | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--|-------------------------|-------------------------|
| <b>Basic earning per share</b>             |                         |                         |
| Profit after tax (Amt in Rs.)              | 18,433,023              | 16,904,337              |
| Weighted average no. of equity shares      | 2,764,326               | 2,764,326               |
| Nominal value of each equity shares        | 10                      | 10                      |
| <b>Basic earning per share (in Rs.)</b>    | 6.67                    | 6.12                    |
| <b>Diluted earnings per share (in Rs.)</b> | 6.67                    | 6.12                    |

**36) CONTINGENT LIABILITIES:**
**(Amount in Rs.)**

| Particulars | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|-------------|-------------------------|-------------------------|
|-------------|-------------------------|-------------------------|

**i) Claims against the Company not acknowledgement as debts**

|  |        |        |
|--|--------|--------|
| a) Income tax matters disputed in ITAT appeal  | 72,270 | 72,270 |
| The Company has filed an Appeal before Income Tax Appellate Tribunal, Mumbai against Income Tax Demand of Rs. 74,46,117/- for A.Y. 2005-06 and A.Y. 2006-07 and paid Rs. 28,61,057/- against these. The said ITAT appeal decided in favor of company wide consolidated ITAT Appeal order dated 15/09/2016. The company has filed for ITAT Appeal Effect on 15/09/2016 and ACIT passed the appeal effect order dated 31/03/2017 for AY 2005-06 and pending for AY 2006-07 as on date. |        |        |

**ii) Bank guarantee**

|  |           |           |
|--|-----------|-----------|
| a) Guarantee issued to Customs Department towards import of Capital goods under EPCG scheme for which the Company is hopeful to meet its obligations as per schedule | 3,915,000 | 3,915,000 |
|--|-----------|-----------|

**iii) Letter of Credit**

|  |   |            |
|--|---|------------|
| a) Letter of Credit outstanding as of date in favour of Zhejiang Yexiao Knitting Machinery Co. Ltd. towards import of Socks Knitting Machines - Nil (for PY USD 150,200) | - | 10,159,528 |
| b) Letter of Credit outstanding as of date in favour of Zhejiang Yexiao Trading Co. Ltd. towards import of Socks Ancillary Machines - Nil (for PY USD 47,740)            | - | 3,107,397  |

**37) Director Remuneration**
**(Amount in Rs.)**

| Director Remuneration (Salaries and Allowances) | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| Managing Director                               | 3,000,000               | 3,000,000               |
| Whole time Directors                            | 3,000,000               | 3,000,000               |
| Total   | 6,000,000               | 6,000,000               |



**38) Auditors Remuneration**
**(Amount in Rs.)**

| Payment to Auditor              | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---------------------------------|-------------------------|-------------------------|
| Audit Fees                      | 200,000                 | 200,000                 |
| Taxation Matters                | -                       | 150,000                 |
| Certification and other charges | -                       | 5,000                   |
| <b>Total</b>                    | <b>200,000</b>          | <b>355,000</b>          |

39) Some of the sundry debtors, sundry creditors and loans & advances are subject to confirmation and reconciliation. Consequential adjustment thereof, if any, will be given effect into the books of accounts in the year of such adjustment.

40) In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated and are realizable in the ordinary course of business

41) The items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. Raw material comprises of Yarn and packing material at cost, Wastage is valued at net realizable value. Cost of Raw material, finished goods, Spare and Consumables are determined on First in Forst out basis. (FIFO)

42) Previous year figure have been regroped / reclassified to confirm with current year presentation, whenever considered necessary.

**43) Capacities and Production**

| Capacities and Production | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---------------------------|-------------------------|-------------------------|
| Installed Capacity        | 10,960,000              | 8,935,000               |
| Actual Production         | 10,125,394              | 8,229,206               |

Installed capacity has been calculated on the basis of machines running on production of pouch Heel Socks & real Heel Socks. For the year the number of machines making such production as of March 31, 2018 is 2 & 194 respectively (previous year as of March 31, 2017 is 2 & 205 respectively). During the year 20 new machines were put to use and 31 existing machines have been withdrawn from production. Installed capacity of machines purchased during the year is taken on a pro rata basis based on the number of days machines were put to use.

44) Insurance claim of Rs. 89.35 Lacs alongwith interest theron upto date of settlement is filed by the company on account of fire occurred at the Company's Godown at Aliyali - Palghar, Maharashtra on 26 th August, 2008 damaging complete Building and Stock in hand and the same is still pending with the insurance company. The Company has filled a case against the insurance company in the National Consumer Court, New Delhi. The case is still pending for hearing as on March 31, 2018.

45) The Company has to fulfil export obligations under EPCG licence granted to the same on conversion from EOU status to DTA status. Since the Machineries required for completion of the said obligation has destroyed in fire in Dec' 2004, the Company has taken up the matter with the relevant authorities for cancellation of the said Licence. The matter is still pending with relevant Authority as on March 31, 2018.

**46) Additional Information**

| C.I.F. Value of Imports | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|-------------------------|-------------------------|-------------------------|
| Spares & Consumables    | 861,931                 | 560,633                 |
| Plant & Machinery       | 12,999,812              | 13,730,181              |

(Amount in Rs.)

| Foreign Exchange Earning & Outgo                      | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|-------------------------|-------------------------|
| Foreign Exchange Earning<br>(F.O.B. Value of Exports) | -                       | -                       |
| Foreign Exchange Outgo                                |                         |                         |
| - Travelling  | 311,068                 | 895,533                 |
| - Advance for Spares and Consumables                  | -                       | -                       |
| - Plant & Machinery                                   | 1,983,382               | 9,983,994               |
| - Spares & Consumables                                | 157,078                 | 328,343                 |

**Quantitative Details:**

(Amount in Rs.)

| Raw Material (Yarn)                        | As at<br>March 31, 2018 |              | As at<br>March 31, 2018 |              |
|--|-------------------------|--------------|-------------------------|--------------|
|  | Qty. (kgs.)             | Amount (Rs.) | Qty. (kgs.)             | Amount (Rs.) |
| Opening Stock                              | 70,999.414              | 24,277,811   | 60,120.821              | 19,280,489   |
| Purchased during the year (Net of returns) | 524,099.309             | 158,883,990  | 476,733.700             | 136,620,331  |
| Yarn Sales                                 | 59,946.610              | 20,377,129   | 112,716.300             | 36,401,459   |
| Issued for Job Work during the year        | 242,614.115             | 65,418,470   | 156,007.357             | 42,065,824   |
| Consumption during the year                | 209,286.126             | 69,460,002   | 197,131.450             | 53,155,727   |
| Closing Stock                              | 83,251.872              | 27,906,200   | 70,999.414              | 24,277,811   |

(Amount in Rs.)

| Raw Material (Packing Material) | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---------------------------------|-------------------------|-------------------------|
| Opening Stock                   | 1,711,103               | 5,154,891               |
| Purchased during the year       | 24,035,688              | 22,045,628              |
| Consumption during the year     | 23,001,358              | 25,489,416              |
| Closing Stock                   | 2,745,433               | 1,711,103               |

(Amount in Rs.)

| Raw Material (At Job Work)            | As at<br>March 31, 2018 |              | As at<br>March 31, 2018 |              |
|---------------------------------------|-------------------------|--------------|-------------------------|--------------|
|                                       | Qty. (kgs.)             | Amount (Rs.) | Qty. (kgs.)             | Amount (Rs.) |
| Opening Stock                         | 51,834.697              | 18,133,571   | 32,118.522              | 10,505,341   |
| Issued for Job Work during the year   | 242,614.115             | 65,418,470   | 156,007.357             | 42,065,824   |
| Receipt from Job Work during the year | 222,672.141             | 59,426,298   | 136,291.182             | 34,437,594   |
| Closing Stock                         | 71,776.671              | 24,125,743   | 51,834.697              | 18,133,571   |

(Amount in Rs.)

| Finished Goods (Socks)              | As at<br>March 31, 2018 |              | As at<br>March 31, 2018 |              |
|-------------------------------------|-------------------------|--------------|-------------------------|--------------|
|                                     | No. of Pairs            | Amount (Rs.) | No. of Pairs            | Amount (Rs.) |
| Opening Stock                       | 972,383                 | 25,611,360   | 615,906                 | 18,956,227   |
| Production/Job Work during the year | 10,125,394              | 320,958,275  | 8,229,206               | 256,300,346  |
| Socks Purchased                     | 1,012,293               | 30,622,095   | 2,565,483               | 71,193,309   |
| Sales (Net of Returns)              | 10,997,992              | 349,671,141  | 10,438,212              | 320,838,522  |
| Closing Stock                       | 1,112,078               | 27,520,589   | 972,383                 | 25,611,360   |

**47) Related party disclosures**

| Name of the Related Party   | Relationship  |
|---|---|
| Mr. Danny F Hansotia<br>Mr. Sanjay S Gadodia<br>Mrs. Sunita Misri<br>Mrs. Anita Prashant Koti<br>Ms. Nutan Prakash Bidye  | Key Management Personnel  |
| Orient Socknit (India) Private Limited<br>Juvenile Trading Private Limited<br>Carnival Properties Private Limited<br>Spenta Woolens Limited<br>Vishwalane Textile Private Limited | Enterprise over which Key Management Personnel are able to exercise significant Influence |

(Amount in Lakhs)

| Nature of Transaction | Key Management Personnel |           |
|-----------------------|--------------------------|-----------|
|                       | Cur. Yr.                 | Prev. Yr. |
| Remuneration*         |                          |           |
| Mr. Danny F Hansotia  | 30.00                    | 30.00     |
| Mr. Sanjay S. Gadodia | 30.00                    | 30.00     |

\*Remuneration is being disclosed based on actual payment made on retirement/resignation of services, but does not includes provision made on actuarial basis as the same is available for all the employees together.

Note: Related party relationship is as identified by the Company and relied upon by the Auditors

**48) Segment Reporting**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. Knitted Socks

As per our attached report of even date

**For M/s. Rajeev Shah & Co.,  
Chartered Accountants**

**(CA Rajesh A. Mody)**  
**Partner Membership No.: 047501**  
**Firm Registration No. 108346W**

Place :- Mumbai  
Date : 25th May, 2018

**For and behalf of the Board**

**Sd/-**  
**Sanjay S. Gadodia**  
(Chairman/CEO)  
**DIN - 00203433**

Place :- Mumbai  
Date : 25th May, 2018

**Sd/-**  
**Danny F. Hansotia**  
(Managing Director/CFO)  
**DIN - 00203497**

**Nutan Bidye**  
Company Secretary  
**ACS NO. 55068**

#### **49 First time adoption of Ind AS**

##### **49.1) Basis for Preparation**

For all period up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2018 are the Company's first annual Ind AS Financial Statements and have been prepared in accordance with Ind AS.

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying certain items from Previous GAAP to Ind AS as required under the Ind AS, and applying Ind AS in the measurement of recognized assets and liabilities. The accounting policies that the Company has used in its opening Ind-AS Balance Sheet may have differed from those that it used for its previous GAAP. The resulting adjustments arising from events and transactions occurring before the date of transition to Ind-AS has been recognized directly in retained earnings at the date of transition.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

##### **49.2) Exceptions and Exemptions Applied**

Ind AS 101 "First-time adoption of Indian Accounting Standards" (hereinafter referred to as Ind AS 101) allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening balance sheet. In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

###### **49)2.1 Optional Exemptions Availed**

###### **a) Property Plant and Equipment and Intangible Assets**

As permitted by Para D5-D8B of Ind AS 101, the Company has elected to measure items of property, plant and equipment and intangible assets at its previous GAAP carrying value on the transition date as deemed cost.

###### **b) Determining whether an arrangement contains a Lease**

Para D9-D9AA of Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind As 17 "Leases" for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement). The Company has applied the above transition provision and has assessed all the arrangements at the date of transition.

###### **c) Designation of previously recognised financial instruments**

Para D19B of Ind AS 101 permits an entity to designate particular investments in equity instruments as at fair value through other comprehensive income (FVOCI) based on facts and circumstances at the date of transition to Ind AS (rather than at initial recognition). The Company has opted to avail this exemption to designate its investments in equity instruments as FVOCI on the date of transition.

**49)2.2 Mandatory Exceptions**
**a) Estimates**

"As per Para 14 of Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies. As per Para 16 of the standard, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative period. The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:"

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortized cost.

**b) De-recognition of Financial Assets and Liabilities**

As per Para B2 of Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, "Financial Instruments", prospectively for transactions occurring on or after the date of transition to Ind AS. However, Para B3 gives an option to the entity to apply the derecognition requirements from a date of its choice if the information required to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**c) Classification and measurement of Financial Assets**

"Para B8 - B8C of Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively."

**50.) Reconciliation of Reserve between Ind AS and Previous GAAP**

| Particulars                                   | Note | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|---|------|-------------------------|-------------------------|
| <b>Equity under erstwhile Indian GAAP</b>     |      | 223,826,889             | 211,902,443             |
| Provision for doubtful debts and advances     | A.1  | (635,467)               | (790,929)               |
| Fair valuation of current investments         | A.2  | 539,984                 | (59,077)                |
| Gratuity liability as per Actuarial valuation | A.3  | 337,266                 | 626,348                 |
| Deferred tax impacts                          | A.4  | 1,998,895               | 2,100,040               |
| Proposed Dividend                             | A.5  | 4,325,201               | 3,992,493               |
| <b>Equity under Ind AS</b>                    |      | <b>230,392,769</b>      | <b>217,771,318</b>      |

**Effect of Ind AS adoption on the statement of profit and loss for the year ended 31 March 2017**

| Particulars  | Note | As at<br>March 31, 2017 |
|--|------|-------------------------|
| <b>Net profit for the period under erstwhile Indian GAAP</b> |      | <b>16,249,648</b>       |
| ECL provision  | A.1  | 155,462                 |
| Fair value of quoted equity instruments                      | A.2  | 599,061                 |
| Actuarial valuation adjustments                              | A.3  | 140,780                 |
| Deferred tax on Ind AS adjustments                           | A.4  | (240,613)               |
| <b>Net profit for period under Ind AS</b>                    |      |                         |
| Other comprehensive income (net of tax)                      | A.6  | (290,393)               |
| <b>Total comprehensive income</b>                            |      | <b>16,613,944</b>       |

**Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2017 -**

All the adjustments on account of Ind AS are non - cash in nature and hence, there is no material impact on the cash flows in the cash flow statement.

**A.1 Expected Credit Loss Model**

Under Ind AS, the impairment allowances for doubtful receivables/advances has been determined based on expected credit loss model as per the requirements of Ind AS 109. The provision created on the date of transition has been adjusted with retained earning and subsequent adjustments in the provision has been taken to statement of profit and loss account.

**A.2 Investments in Equity Instruments**

"Investment in Equity instruments: Under the previous GAAP, investments in Equity instruments were classified as long-term investments or current investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. "

**A.3 Impact of recognising actuarial gains / losses on defined benefit obligations**

Indian GAAP - Actuarial gains / losses on defined benefit obligations is recognised in statement of profit and loss  
"Ind AS - Actuarial gains / losses on defined benefit obligations is recognised in other comprehensive income. "

**A.4 Impact on account of deferred taxes**

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has impacted the reserves on date of transition, with consequential impacts to the statement of profit and loss for the subsequent periods.

**A.5 Proposed Dividend**

"Under Indian GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the entity (on approval of Shareholders in a general meeting) or paid. In the case of the entity, the declaration of dividend occurs after period end. "

**A.6** Under Ind AS, all items of income and expense recognised in period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in Statement of profit and loss as "Other comprehensive income" includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

**SPENTA INTERNATIONAL LIMITED**
**51) Financial instruments by category**

| Particulars                        | 31-03-18         |       |                    | 31-03-17         |       |                    |
|------------------------------------|------------------|-------|--------------------|------------------|-------|--------------------|
|                                    | FVPL             | FVOCI | Amortised cost     | FVPL             | FVOCI | Amortised cost     |
| <b>Financial assets</b>            |                  |       |                    |                  |       |                    |
| (i) Investments                    |                  |       |                    |                  |       |                    |
| Equity instruments                 | 2,961,672        |       | 5,000,000          | 2,687,710        |       | 5,000,000          |
| Intercorporate Deposit             |                  |       | 104,523,166        |                  |       | 57,267,916         |
| (ii) Trade receivables             |                  |       | 5,098,707          |                  |       | 6,690,458          |
| (iii) Loans and advances           |                  |       | 40,831,172         |                  |       | 65,826,075         |
| (iv) Cash and Cash Equivalents     | 184,625          |       | 1,937,953          |                  |       | 1,508,190          |
| (v) Security Deposit               |                  |       | 2,932,033          |                  |       | 2,655,700          |
| (vi) Interest receivable           |                  |       |                    |                  |       |                    |
| <b>Total financial assets</b>      | <b>3,146,297</b> |       | <b>160,323,031</b> | <b>2,687,710</b> |       | <b>138,948,339</b> |
| <b>Financial liabilities</b>       |                  |       |                    |                  |       |                    |
| (i) Borrowings                     |                  |       | 160,937,719        |                  |       | 77,627,915         |
| (ii) Trade and other payables      |                  |       | 49,145,592         |                  |       | 31,213,150         |
| (iii) Employee related liabilities |                  |       | 4,438,148          |                  |       | 4,208,386          |
| <b>Total financial liabilities</b> |                  |       | <b>214,521,459</b> |                  |       | <b>113,049,451</b> |

| Particulars                        | 01-04-16         |       |                    |
|------------------------------------|------------------|-------|--------------------|
|                                    | FVPL             | FVOCI | Amortised cost     |
| <b>Financial assets</b>            |                  |       |                    |
| (i) Investments                    |                  |       |                    |
| Equity instruments                 | 2,088,649        |       | 5,000,000          |
| Intercorporate Deposit             |                  |       | 70,067,171         |
| (ii) Trade receivables             |                  |       | 4,303,129          |
| (iii) Loans and advances           |                  |       | 60,135,096         |
| (iv) Cash and Cash Equivalents     |                  |       | 1,468,190          |
| (v) Security Deposit               |                  |       | 2,906,093          |
| (vi) Interest receivable           |                  |       |                    |
| <b>Total financial assets</b>      | <b>2,088,649</b> |       | <b>143,879,680</b> |
| <b>Financial liabilities</b>       |                  |       |                    |
| (i) Borrowings                     |                  |       | 67,011,191         |
| (ii) Trade and other payables      |                  |       | 35,500,059         |
| (iii) Employee related liabilities |                  |       | 3,516,109          |
| <b>Total financial liabilities</b> |                  |       | <b>106,027,358</b> |



The management assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, current borrowings, current loans and other financial assets & liabilities approximates their carrying amounts largely due to the short-term maturities of these instruments.

The management considers that the carrying amounts of Financial assets and Financial liabilities recognised at nominal cost/amortised cost in the Financial statements approximate their fair values.

Non current borrowings has been contracted at floating rates of interest, which are reset at short intervals. Fair value of floating interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost.

#### Fair Value Hierarchy

The following are the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels of fair value measurement as prescribed under the Ind AS 113 "Fair Value Measurement". An explanation of each level follows underneath the tables.

| Particulars                         | 31-03-18         |            |                |                  | 31-03-17         |            |             |                  |
|-------------------------------------|------------------|------------|----------------|------------------|------------------|------------|-------------|------------------|
|                                     | Level (I)        | Level (ii) | Level (iii)    | Total            | Level (I)        | Level (ii) | Level (iii) | Total            |
| <b>Financial assets</b>             |                  |            |                |                  |                  |            |             |                  |
| <b>Financial Investment at FVPL</b> |                  |            |                |                  |                  |            |             |                  |
| Listed equity investments           | 2,961,672        | -          | -              | 2,961,672        | 2,687,710        | -          | -           | 2,687,710        |
| Security Deposits                   | -                | -          | 184,625        | 184,625          | -                | -          | -           | -                |
| <b>Total financial assets</b>       | <b>2,961,672</b> | <b>-</b>   | <b>184,625</b> | <b>3,146,297</b> | <b>2,687,710</b> | <b>-</b>   | <b>-</b>    | <b>2,687,710</b> |

| Particulars                         | 01-04-16         |            |             |                  |
|-------------------------------------|------------------|------------|-------------|------------------|
|                                     | Level (I)        | Level (ii) | Level (iii) | Total            |
| <b>Financial assets</b>             |                  |            |             |                  |
| <b>Financial Investment at FVPL</b> |                  |            |             |                  |
| Listed equity investments           | 2,088,649        | -          | -           | 2,088,649        |
| Security Deposits                   | -                | -          | -           | -                |
| <b>Total financial assets</b>       | <b>2,088,649</b> | <b>-</b>   | <b>-</b>    | <b>2,088,649</b> |

**52.1** During the year ended March 31, 2018 and March 31, 2017, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

#### **52.2 Explanation to the Fair Value hierarchy**

The Company measures Financial instruments, such as, quoted investments and interest free security deposit at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The valuation of quoted shares have been made based on level 1 inputs as per the hierarchy mentioned in the Accounting Policies. The valuation of quoted equity instruments have been valued based on the closing price at each reporting date from BSE. The valuation of interest free security deposit have been made based on level 3 inputs as per the hierarchy mentioned in the Accounting Policies. The valuation of interest free security deposit have been valued based on valuation technique applicable.



**53 Financial risk management objectives and policies**

"The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments. Various kinds of financial risks and their mitigation plans are as follows:"

**53.1 Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of Foreign Exchange Risk and Interest Rate Risk.

**53.1.1 Foreign Exchange Risk**

Foreign Exchange Risk is the exposure of the Company to the potential impact of the movement in foreign exchange rate. The Company does not have any material foreign currency exposure at the balance sheet date. The Foreign currency exposure is Unhedged at the balance sheet date.

**53.1.2 Interest Rate Risk**

"Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The company's exposure to the risk of changes in market interest rate relates primarily to company's borrowing with floating interest rates. The Company do not have any significant interest rate risk on its current borrowing due to their short tenure. The Company is also exposed to interest rate risk on surplus funds parked in loans. To manage such risks, such loans are granted for short durations with fixed interest rate in line with the expected business requirements for such funds."

Exposure to interest rate risk

| Particulars                            | 31st March 2018   | 31st March 2017   | 31st March 2016   |
|--|-------------------|-------------------|-------------------|
| Non current Borrowing at floating rate | 80,405,226        | 29,613,655        | 25,655,424        |
| <b>TOTAL</b>                           | <b>80,405,226</b> | <b>29,613,655</b> | <b>25,655,424</b> |

**Sensitivity Analysis**

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. This analysis assumes that all other variables, in particular exchange rates, remain constant and ignores any impact of forecast sales and purchases.

| Particulars               | 31st March 2018      |                   |              | 31st March 2017      |                   |              |
|---------------------------|----------------------|-------------------|--------------|----------------------|-------------------|--------------|
|                           | Sensitivity Analysis | Impact on         |              | Sensitivity Analysis | Impact on         |              |
|                           |                      | Profit before tax | Other Equity |                      | Profit before tax | Other Equity |
| Interest Rate Increase by | 1%                   | (804,052)         | (582,516)    | 1%                   | (296,137)         | (198,234)    |
| Interest Rate Decrease by | 1%                   | 804,052           | 582,516      | 1%                   | 296,137           | 198,234      |

**53.1.3 Price risk**

The table below summarises the impact of increase/decreases of the index on the group's equity and profit for the period. The analysis is based on the assumption that the equity index had increased or decreased by 7% with all other variable constant, and that all the group's equity instruments moved in line with index

| Particulars                      | 31st March 2018  | 31st March 2017  | 31st March 2016  |
|----------------------------------|------------------|------------------|------------------|
| Investment in Equity instruments | 2,961,672        | 2,687,710        | 2,088,649        |
| <b>TOTAL</b>                     | <b>2,961,672</b> | <b>2,687,710</b> | <b>2,088,649</b> |

| Particulars               | 31st March 2018      |                   |              | 31st March 2017      |                   |              |
|---------------------------|----------------------|-------------------|--------------|----------------------|-------------------|--------------|
|                           | Sensitivity Analysis | Impact on         |              | Sensitivity Analysis | Impact on         |              |
|                           |                      | Profit before tax | Other Equity |                      | Profit before tax | Other Equity |
| Interest Rate Increase by | 7%                   | 207,317           | 150,196      | 7%                   | 188,140           | 125,941      |
| Interest Rate Decrease by | 7%                   | (207,317)         | (150,196)    | 7%                   | (188,140)         | (125,941)    |

### 53.2 Liquidity Risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawing up cash forecast for short term and long term needs.

The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for funding from banks and inter corporate and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. The table below summarises the maturity profile of Company's financial liabilities based on contractual undiscounted payments.

#### 53.2.1 Maturity Analysis for financial liabilities

##### 31st March 2018

| Particulars                 | On demand  | <6 months  | 6 to 12 months | >1 year    | Total       |
|-----------------------------|------------|------------|----------------|------------|-------------|
| Borrowings                  | 48,014,260 | 9,457,820  | 9,527,982      | 61,419,424 | 160,937,719 |
| Other financial liabilities |            | 4,438,148  |                |            | 4,438,148   |
| Trade payables              |            | 49,145,592 |                |            | 49,145,592  |

##### 31st March 2017

| Particulars                 | On demand  | <6 months  | 6 to 12 months | >1 year    | Total      |
|-----------------------------|------------|------------|----------------|------------|------------|
| Borrowings                  | 48,014,260 | 6,844,289  | 8,629,345      | 14,140,021 | 77,627,915 |
| Other financial liabilities |            | 4,208,386  |                |            | 4,208,386  |
| Trade payables              |            | 31,213,150 |                |            | 31,213,150 |

The interest payments on variable interest rate loans in the tables above reflect market forward interest rates at the respective reporting dates and these amounts may change as market interest rates change. Except for these financial liabilities, it is not expected that cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts. When the amount payable is not fixed, the amount disclosed has been determined with reference to conditions existing at the reporting date.

#### Credit Risk

"The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit duration for customers on continuous basis. Further, in order to manage the credit risk, the security deposits are obtained from customers where ever considered necessary. On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit duration for customers on continuous basis. Further, in order to manage the credit risk, the security deposits are obtained from customers where ever considered necessary. On account of adoption of Ind AS 109, the Company uses an expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables."

The ageing of trade receivables and expected credit loss analysis on these trade receivables is given in below table:

| Particulars         | 0-90 days     | 91-180 days   | 181-365 days | above 365  | days Total     |
|---------------------|---------------|---------------|--------------|------------|----------------|
| As at 31 March 2018 | 81,985,978.00 | 21,624,620.00 | 1,270,091.00 | 709,828.00 | 105,590,517.00 |
| As at 31 March 2017 | 48,290,596.00 | 5,969,211.00  | 2,137,043.00 | 647,297.00 | 57,044,147.00  |
| As at 01 April 2016 | 63,282,303.00 | 5,772,144.00  | 1,350,299.00 | 453,354.00 | 70,858,100.00  |

The expected credit loss analysis on these trade receivables is given in below table:

| Particulars                | Amount           |
|----------------------------|------------------|
| <b>As at 01 April 2016</b> | <b>790,929</b>   |
| Change in allowance        | (155,462)        |
| <b>As at 31 March 2017</b> | <b>635,467</b>   |
| Change in allowance        | 391,884          |
| <b>As at 31 March 2018</b> | <b>1,027,351</b> |

#### 54 Capital Management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, Company may adjust the amount of dividends paid to shareholders.

##### 54.1 Net debt Reconciliation

| Particulars               | 31-Mar-18     | 31-Mar-17    |
|---------------------------|---------------|--------------|
| Cash and cash equivalents | 1,798,296     | 597,995      |
| Non-current borrowings    | (80,405,226)  | (29,613,655) |
| Current borrowings        | (80,532,493)  | (48,014,260) |
| Net debt                  | (159,139,424) | (77,029,920) |

| Particulars              | Cash and cash equivalents | Non-current borrowings | Current borrowings | Total         |
|--------------------------|---------------------------|------------------------|--------------------|---------------|
| Net debt as on 31-Mar-17 | 597,995                   | (29,613,655)           | (48,014,260)       | (77,029,920)  |
| Cash flows               | (610,299)                 | (50,791,571)           | (32,518,233)       | (83,920,103)  |
| Net debt as on 31-Mar-18 | (12,304)                  | (80,405,226)           | (80,532,493)       | (160,950,023) |

| Particulars          | 31-Mar-18   | 31-Mar-17   |
|----------------------|-------------|-------------|
| Net debt             | 159,139,424 | 77,029,920  |
| Equity               | 244,296,039 | 230,392,769 |
| Capital and Net debt | 403,435,463 | 307,422,689 |
| Gearing ratio        | 39.45%      | 25.06%      |

55 "The Board of Directors at its meeting held on 28th May, 2018 recommended final dividend of Rs 1.5 per equity share of face value of Rs. 10 each for the financial year ended 31st March, 2018. The same amounts to Rs. 4,990,617 (including dividend distribution tax). The above is subject to approval at the ensuing Annual General Meeting of the Company and hence not recognized as a liability."

56 Previous GAAP figures have been reclassified/regrouped to confirm the presentation requirements under IND AS and the requirements laid down in Division-II of the Schedule-III of the Companies Act, 2013.



**SPENTA INTERNATIONAL LIMITED**

SPENTA INTERNATIONAL LIMITED

CIN - L28129MH1986PLC040482

Regd. Office: Plot No.13 to 16, Dewan Industrial Estate, Village Navali, District: Thane, Palghar (West) – 401 404.

Tel No: 91-(2525)-254932 Fax: 91-(2525)-254932.

Email-contact@spentasocks.com ; Website: [www.spentasocks.com](http://www.spentasocks.com)

**ATTENDANCE SLIP**

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I/We hereby record my/our presence at the **31st ANNUAL GENERAL MEETING** of the Company at Regd. Office Plot No. 13 To 16, Dewan Industrial Estate, Village Navali, District Thane, Palghar (West) – 401 404 of the Company on Thursday, 27th September, 2018 at 11.30 am.

Folio No.: \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

**Note:**

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorized Representatives are requested to show their Photo ID Proof for attending the Meeting. Authorized Representatives are requested to show proper authorization issued in their favour.
3. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.



**SPENTA INTERNATIONAL LIMITED**

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Form No. MGT-11

**SPENTA INTERNATIONAL LIMITED**

**CIN - L28129MH1986PLC040482**

**Regd. Office: Plot No.13 to 16, Dewan Industrial Estate, Village Navali, District: Thane, Palghar (West) – 401 404.**

**Tel No: 91-(2525)-254932 Fax: 91-(2525)-254932.**

**Email-contact@spentasocks.com; Website: [www.spentasocks.com](http://www.spentasocks.com)**

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Name of the Member(s): \_\_\_\_\_  
Registered address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_  
Folio No. / Client ID No.: \_\_\_\_\_  
DP ID No.: \_\_\_\_\_

I/We, being the Member(s) of \_\_\_\_\_ Shares of the above named company, hereby appoint:

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

or failing him / her

2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

or failing him / her

3. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company to be held on Thursday, 27th September, 2018 at 11.30 a.m. at Plot No. 13, to 16, Dewan Industrial Estate, Village Navali, Dist. Thane, Palghar (W) – 401 404 and at any adjournment thereof in respect of such resolutions as are indicated below:



**spenta**<sup>®</sup>

**SPENTA INTERNATIONAL LIMITED**

| Resolution No. | Resolution   |     |         |
|----------------|--|-----|---------|
|                | <b>Ordinary Business</b>   | For | Against |
| 1.             | Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2018 |     |         |
| 2.             | To declare Final dividend on equity shares for the Financial Year 2017-2018  |     |         |
|                | <b>Special Business</b>  |     |         |
| 3.             | To re-appoint Mr. Danny Hansotia as the Managing Director of the Company   |     |         |
| 4.             | To re-appoint Mr. Sanjay Gadodia as the Whole-Time Director of the Company   |     |         |
| 5.             | To ratify the appointment of Mrs. Anita Koti as Non- Executive Independent Director of the Company                                   |     |         |

Signed this \_\_\_\_\_ th day of \_\_\_\_\_, 2018

AFFIX  
REVENUE  
STAMP

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxyholder(s)

**Note:**

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) Those Members who have multiple folios with different joint holders may use copies of this Attendance slip/Proxy.



**SPENTA INTERNATIONAL LIMITED**

Form No. SH-14

**Cancellation or Variation of Nomination**

**[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

To,  
**Spenta International Limited,**  
Plot No. 13 to 16,  
Dewan Industrial Estate,  
Village Navali, District Thane,  
Palghar (West) – 401404.

I/We hereby cancel the nomination(s) made by me/us in favor  
of..... (name and address of the  
nominee) in respect of the below mentioned securities

Or

I/We hereby nominate the following person in place of ..... as nominee in respect of the below  
mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

| Nature of securities | Folio. No | No. of securities | Certificate No. | Distinctive No |
|----------------------|-----------|-------------------|-----------------|----------------|
|                      |           |                   |                 |                |
|                      |           |                   |                 |                |
|                      |           |                   |                 |                |

**(2) PARTICULARS OF NOMINEE(S) —**

Name: ..... Nationality: .....  
Date of Birth: ..... Address: .....  
Father's/Mother's/Spouse's name: ..... E-mail Id: .....  
Occupation: ..... Relationship with the security holder: .....

**IN CASE NOMINEE IS A MINOR -**

date of Birth: ..... Name of guardian: .....  
Date of attaining majority: ..... Address of guardian: .....

Name and address of security holder (s)

Signature

Name and address of witness

Signature



Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination can be made by individual's only holdings shares singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, and Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in "duplicate" should be lodged with the Registrar and Share transfer Agent of the Company i.e. M/s. Link Intime India Pvt Ltd., C-101, 247 Park, L. B. S. Marg, Vikhroli West, Mumbai - 400083. Tel: 022 4918 6270 Email: rnt.helpdesk@linkintime.co.in.
7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)
8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.



**SPENTA INTERNATIONAL LIMITED**

**Nomination Form**

**[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014]**

To,  
**Spenta International Limited,**  
Plot No. 13 to 16,  
Dewan Industrial Estate,  
Village Navali, District Thane,  
Palghar (West) – 401404.

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

| Nature of securities | Folio. No | No. of securities | Certificate No. | Distinctive No |
|----------------------|-----------|-------------------|-----------------|----------------|
|                      |           |                   |                 |                |
|                      |           |                   |                 |                |
|                      |           |                   |                 |                |

**(2) PARTICULARS OF NOMINEE(S) —**

- a) Name:
- b) Date of Birth:
- c) Father’s/Mother’s/Spouse’s name:
- d) Occupation:
- e) Nationality:
- f) Address:
- g) E-mail id:
- h) Relationship with the security holder:

**(3) IN CASE NOMINEE IS A MINOR —**

- a) Date of birth:
- b) Date of attaining majority:
- c) Name of guardian:
- d) Address of guardian:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder (s): \_\_\_\_\_

Signature: \_\_\_\_\_

Witness with name and address: \_\_\_\_\_



**SPENTA INTERNATIONAL LIMITED**

CIN - L28129MH1986PLC040482

Regd. Office: Plot No.13 to 16, Dewan Industrial Estate, Village Navali, District: Thane, Palghar (West) – 401 404.

Tel No: 91-(2525)-254932 Fax: 91-(2525)-254932.

Email-contact@spentasocks.com; Website: www.spentasocks.com

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**31<sup>st</sup> ANNUAL GENERAL MEETING  
ASSENT/ DISSENT FORM FOR VOTING ON AGM RESOLUTIONS**

- Name(s) & Registered Address :  
of the sole / first named Member
- Name(s) of the Joint-Holder(s) :  
If any
- Registered Folio No. /  
DP ID No & Client ID No. :  
[Applicable to Members  
holding shares in dematerialized form]
- Number of Shares(s) held :
- I/ We, hereby exercise my/our vote in respect of Ordinary/ Special resolution enumerated below by recording my/our assent or dissent to the said resolution in the following manner:

| Resolution No. | Resolution   |     |         |
|----------------|--|-----|---------|
|                | <b>Ordinary Business</b>   | For | Against |
| 1.             | Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2018 |     |         |
| 2.             | To declare Final dividend on equity shares for the Financial Year 2017-2018  |     |         |
|                | <b>Special Business</b>  |     |         |
| 3.             | To re-appoint Mr. Danny Hansotia as the Managing Director of the Company   |     |         |
| 4.             | To re-appoint Mr. Sanjay Gadodia as the Whole-Time Director of the Company   |     |         |
| 5.             | To ratify the appointment of Mrs. Anita Koti as Non- Executive Independent Director of the Company                                   |     |         |

Place:

Date:

\_\_\_\_\_  
Signature of the Member  
Or  
Authorised Representative



## SPENTA INTERNATIONAL LIMITED

### Notes:

- i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- ii) Last date for receipt of Assent/ Dissent Form: September 26th, 2018 (5.00 pm IST)
- iii) Please read the instructions printed overleaf carefully before exercising your vote.

### General Instructions

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent. If a shareholder has opted for physical Assent/Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through physical assent/dissent form and e-voting, then vote cast through e-voting shall be treated as valid.
2. The notice of Annual General Meeting is dispatch/ e-mailed to the members whose names appear on the Register of Members as on 17th August, 2018 and voting rights shall be reckoned on the paid-up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent/ dissent form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.

### Instructions for voting physically on Assent / Dissent Form

1. A member desiring to exercise vote by Assent/ Dissent should complete this (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 5.00 pm on 26th September, 2018. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies etc.) the completed Assent/ Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory (ies) duly attested.
4. The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent/ Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A member may request for a duplicate Assent/ Dissent Form, if so required and the same duly completed should reach the Scrutinizer not later than the specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent/ Dissent form except giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.
9. The Scrutinizers decision on the validity of the Assent/ Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent/ Dissent Forms will be rejected.